

# Presentation of Financial Results for the Nine Months Ended December 31, 2017

February 14, 2018

Dai-ichi Life Holdings, Inc.



Dai-ichi Life  
Holdings

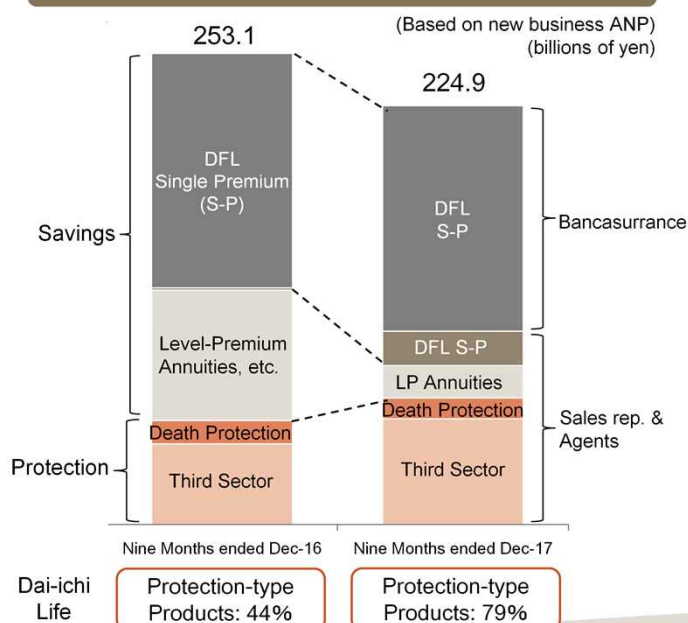
- This is Toshiaki Sumino of Dai-ichi Life Holdings, Inc.
- Thank you for joining our conference call to discuss the Dai-ichi Life Group's financial results for the nine months ended December 2017.
- I will go over the presentation material, followed by a question and answer session.
- Please turn to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

# Overview of the Group's Financial Results

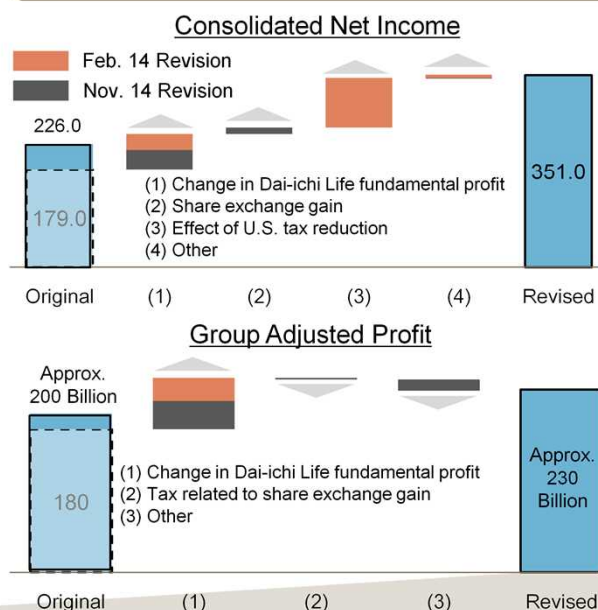
## Financial Results Highlights

- Strategic shift in product and channel mix based on customer needs and economic environment
- Second upward revision to annual forecasts reflecting better than expected business performance
- Protective Life reached an agreement on a new block acquisition, the largest for the company

### Strategic Product & Channel Shift in Japan



### Upward Revision to Annual Forecasts



- Here are the highlights of the Dai-ichi Life Group's financial results.
- In the domestic life insurance business, we continued to strategically shift our products and distribution channels in response to the changing environment. In light of the recovering economic environment, the Group's business performance was above what the Company had expected. In addition to making an upward revision to our forecast for Group adjusted profit, we also made an upward revision to our fiscal year forecast for consolidated net income because of one-time profit impacting our overseas life insurance business.
- Also, as announced in a press release on January 20, our U.S. based subsidiary, Protective Life, has reached an agreement to acquire certain policy blocks of Liberty Life's business through reinsurance. Protective Life has been engaged in the traditional insurance business and the acquisitions business, empowering Protective to realize both high growth and profit contribution to the Group. This was the largest acquisition in Protective Life's history funded entirely by Protective Life's own cash, and we look forward to even further growth in the future. We expect the acquisition process to be completed during the first half of fiscal 2018.
- The highlights of the nine months ended December 31, 2018 are described on page 3. Please turn to the next page.

- Another quarter of favorable sales maintaining strong sales results for the nine month period. In Japan, Dai-ichi Life's sales of protection-type products expanded while Dai-ichi Frontier Life's foreign currency products gained momentum. In overseas markets, the life insurance business performed well in each region.
- Revenues and Group profit up. Dai-ichi Life reported positive growth in profit due to an increase in investment return from mainly interest and dividend income with a back drop of favorable stock market conditions. Dai-ichi Frontier Life and overseas subsidiaries performed well, and Group adjusted profit and net income are exceeding our expectations.
- The Group announced an upward revision to the forecast for Group adjusted profit as the business is expected to further outperform the Company's previous forecast barring considerable deterioration in the financial environment. Also, the Group made a significant upward revision to its net income forecast reflecting one-time profit, which will not be accounted for in Group adjusted profit, at Protective Life due to the reduction in the U.S. corporate tax rate.

- Here are the three points to highlight with respect to the Group's financial results.
- Firstly, a look at our sales activities. Dai-ichi Life continued to strategically shift its product portfolio to protection-type products and its flagship products enjoyed favorable sales. For this third quarter, protection-type products accounted for about 80 percent of annualized net premium of new business. Meanwhile, Dai-ichi Frontier Life increased sales volume by introducing new product features and launched new products in response to strong consumer demand. Sales activities by Dai-ichi Life's sales representatives for Dai-ichi Frontier Life products were fully carried out and, in order to adapt to the environment, the strategic shift of products and distribution channels at our three domestic life insurance companies is progressing on track. In overseas markets, new business grew steadily in each country.
- Secondly, consolidated revenues and profits were up year-on-year and both net income and Group adjusted profit exceeded our expectations. Particularly, Dai-ichi Life's results significantly exceeded our expectations in light of improvements in the financial and economic environment in foreign and domestic markets. Group embedded value calculated based on in-force policies and economic conditions as of December 31, 2017 increased from the end of September 30, 2017 to approximately 6.4 trillion yen due to our acquisition of new policies and improvements in economic conditions, such as rising stock prices.
- Thirdly, is with regards to our fiscal year forecasts. Back in November 2017, we made an upward revision to our original annual forecast for net income and Group adjusted profit considering improvements in the financial and economic environment. Thereafter, despite a strong recent adjustment trend in the stock market, the environment continued to improve. Going forward, barring considerable deterioration in the financial environment, we expect further improvements in our business. We have therefore made an upward revision to Group adjusted profit. In addition, we made a significant upward revision to net income due to a one-time profit recognized by Protective Life from the impact of the reduction in the U.S. corporate tax rate. Please note that this one-time profit is not reflected in Group adjusted profit.
- Please turn to page 4.

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

## Statement of Earnings (summarized)

(billions of yen)

	9 months ended Dec-16	9 months ended Dec-17	Change
Ordinary revenues	4,728.6	5,205.7	+477.0
Premium and other income	3,245.1	3,490.8	+245.6
Investment income	1,187.2	1,479.4	+292.1
Interest and dividends	786.9	884.6	+97.6
Gains on sale of securities	177.2	151.3	(25.8)
Foreign exchange gains	-	22.1	+22.1
Gains on investments in separate accounts	97.2	243.7	+146.5
Other ordinary revenues	296.2	235.4	(60.7)
Ordinary expenses	4,402.1	4,860.6	+458.4
Benefits and claims	2,641.2	2,712.2	+71.0
Provision for policy reserves and others	726.2	1,221.4	+495.2
Investment expenses	256.9	201.5	(55.3)
Losses on sale of securities	68.9	71.7	+2.8
Losses on valuation of securities	11.6	1.6	(10.0)
Derivative transaction losses	31.0	50.1	+19.1
Foreign exchange losses	58.6	-	(58.6)
Operating expenses	467.0	477.0	+10.0
Ordinary profit	326.5	345.1	+18.5
Extraordinary gains	17.1	33.8	+16.6
Extraordinary losses	31.2	17.1	(14.1)
Provision for reserve for policyholder dividends	66.0	69.9	+3.8
Income before income taxes, etc.	246.3	291.8	+45.4
Total of corporate income taxes	62.8	92.6	+29.7
Net income attributable to non-controlling interests	0.0	-	(0.0)
Net income attributable to shareholders of parent company	183.5	199.2	+15.7

## Balance Sheet (summarized)

(billions of yen)

	As of Mar-17	As of Dec-17	Change
Total assets	51,985.8	54,294.0	+2,308.1
Cash, deposits and call loans	980.4	1,150.3	+169.9
Monetary claims bought	198.2	190.6	(7.6)
Securities	43,650.9	45,695.6	+2,044.6
Loans	3,566.6	3,484.5	(82.0)
Tangible fixed assets	1,138.4	1,135.4	(2.9)
Deferred tax assets	0.1	0.1	(0.0)
Total liabilities	48,848.5	50,332.1	+1,483.5
Policy reserves and others	44,694.1	45,579.5	+885.3
Policy reserves	43,740.2	44,620.1	+879.8
Bonds payable	989.7	971.5	(18.1)
Other liabilities	1,852.0	2,125.3	+273.3
Net defined benefit liabilities	421.5	427.7	+6.2
Reserve for price fluctuations	174.6	189.7	+15.0
Deferred tax liabilities	324.4	594.6	+270.1
Total net assets	3,137.2	3,961.8	+824.5
Total shareholders' equity	1,300.7	1,435.5	+134.7
Total accumulated other comprehensive income	1,835.2	2,524.9	+689.6
Net unrealized gains on securities, net of tax	1,906.0	2,623.7	+717.6
Reserve for land revaluation	(17.5)	(17.9)	(0.4)

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)

- Here are summaries of 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 were up due to an increase in Dai-ichi Frontier Life's premium and other income.
- Net income was in line with our expectations. Group adjusted profit was 168.3 billion yen.

(billions of yen unless otherwise noted)					(Reference)		
	9 months ended Dec-16	9 months ended Dec-17 (a)	Change		Forecast for year ending Mar-18 (b) *Announced on November 14, 2017	(a/b)	Forecast for year ending Mar-18 *Announced on February 14, 2018
<b>Ordinary revenues</b>	<b>4,728.6</b>	<b>5,205.7</b>	<b>+ 477.0</b>	<b>+ 10%</b>	<b>6,004.0</b>	<b>87%</b>	<b>6,715.0</b>
Dai-ichi Life	2,959.1	2,778.3	(180.8)	(6%)	3,663.0	76%	3,663.0
Dai-ichi Frontier	866.9	1,415.2	+ 548.3	+ 63%	1,012.0	140%	1,723.0
Protective Life (millions of USD) <sup>(1)</sup>	6,723	7,306	+ 583	+ 9%	8,710	84%	8,710
TAL (millions of AUD) <sup>(1)</sup>	2,718	2,863	+ 144	+ 5%	3,760	76%	3,760
<b>Ordinary profit</b>	<b>326.5</b>	<b>345.1</b>	<b>+ 18.5</b>	<b>+ 6%</b>	<b>426.0</b>	<b>81%</b>	<b>472.0</b>
Dai-ichi Life	232.2	249.5	+ 17.2	+ 7%	334.0	75%	385.0
Dai-ichi Frontier	40.3	49.8	+ 9.5	+ 24%	29.0	172%	29.0
Protective Life (millions of USD)	474	349	(124)	(26%)	460	76%	460
TAL (millions of AUD)	159	164	+ 5	+ 3%	180	92%	180
<b>Net income<sup>(2)</sup></b>	<b>183.5</b>	<b>199.2</b>	<b>+ 15.7</b>	<b>+ 9%</b>	<b>226.0</b>	<b>88%</b>	<b>351.0</b>
Dai-ichi Life	101.7	116.9	+ 15.2	+ 15%	146.0	80%	185.0
Dai-ichi Frontier	33.7	30.0	(3.6)	(11%)	17.0	177%	17.0
Protective Life (millions of USD)	320	242	(78)	(24%)	310	78%	1,100
TAL (millions of AUD)	113	103	(9)	(8%)	130	80%	130

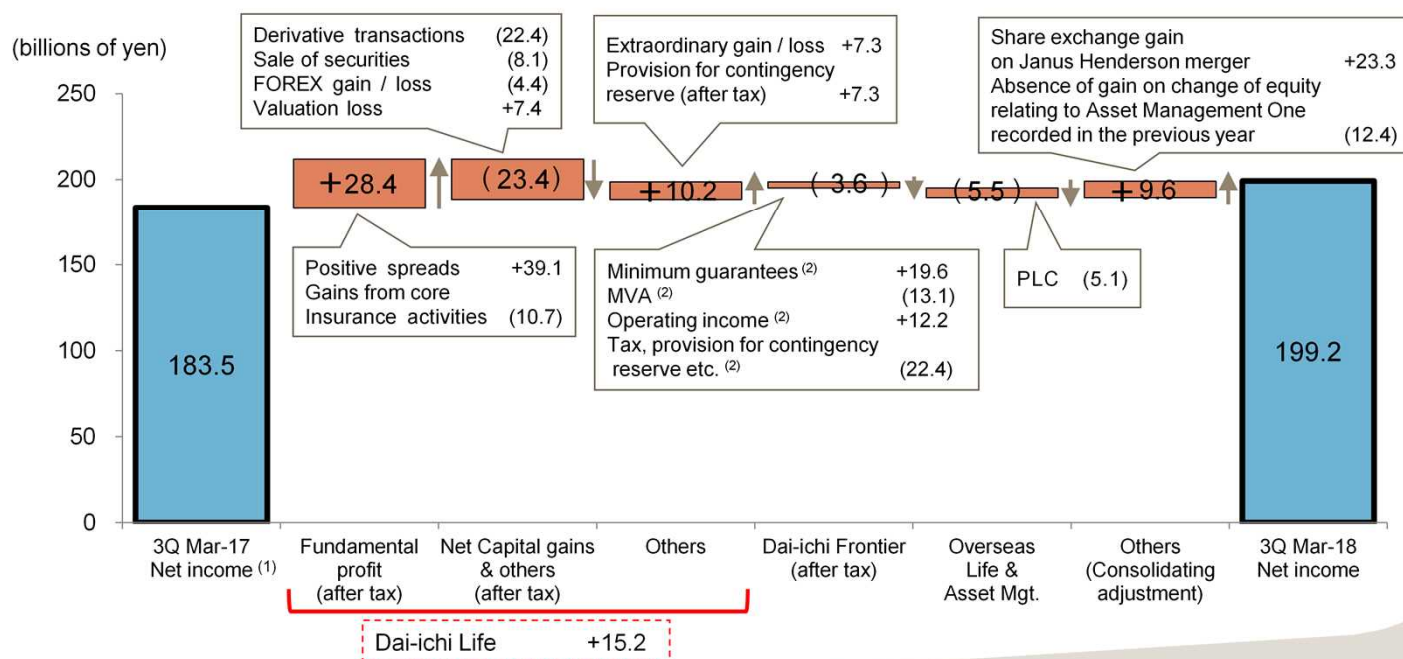
(1) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian accounting standards, respectively, to conform to Dai-ichi Life Holdings' disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=101.12 yen (Sep-16) and 112.73 yen (Sep-17), 1 AUD=84.36 yen (Dec-16) and 88.17 yen (Dec-17), respectively.

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

- Here are the financial results of the Group and its major subsidiaries.
- Consolidated ordinary revenues increased by 477.0 billion yen year-on-year. Dai-ichi Life's premium income decreased as a result of controlled sales of savings-type products. On the other hand, premium income of other Group companies increased reflecting favorable sales performance. Gains on investments in separate accounts increased at each Group company. However, there was no impact on ordinary profit since these gains were offset by provision for policy reserves.
- Ordinary profit increased by 18.5 billion yen. Dai-ichi Life's profit increased due to improvements in positive spread that more than offset the impact from the absence of hedge-related investment gains recorded for the first quarter of the previous year. Dai-ichi Frontier Life's ordinary profit also increased because of higher sales and improvements in the financial environment. As for the overseas life insurance business, Protective Life's ordinary profit declined due to the absence of one-time factors that had a positive effect on profit during the previous year.
- Net income attributable to shareholders of parent company (or consolidated net income) increased by 15.7 billion yen. In addition to the favorable performance of Dai-ichi Life, the Group recorded a share exchange gain on the Janus Henderson merger of 23.3 billion yen. The main reason of the increase was that these factors had a larger positive impact on profit than the gain on change of equity totaling 12.5 billion yen in relation to the reorganization of Asset Management One booked during the previous year. Dai-ichi Frontier Life's net income decreased due to a heavier corporate tax burden. Group adjusted profit for the nine months ended December 31, 2017 was 168.3 billion yen.
- Please turn to page 6.

## Dai-ichi Life Group Results – Principal Consolidated Results

- Dai-ichi Life's profit up due to an increase in investment return mainly from income from interest and dividends.
- Dai-ichi Frontier Life's profit down due to provision for contingency reserve and heavier corporate tax burden.
- Profit down for overseas life insurance business due to the absence of one-time profit relating to reinsurance at Protective Life booked in the previous year.



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

(2) Pre tax

- This page explains major items that contributed to the change in consolidated net income compared to the same period in the previous year.
- Dai-ichi Life's positive spread, a component of fundamental profit, was up and higher than the Company's expectations because of an increase in income from interest and dividends resulting from the weaker yen together with one-time investment revenues from gains on distribution from mutual funds.
- Dai-ichi Frontier Life's profit was down because of provision for contingency reserve reflecting increased sales and a heavier corporate tax burden more than offset the improvement in reserve requirements related to minimum guarantee in light of favorable stock prices.
- In terms of consolidated net income, 33.5 billion yen on a before-tax basis and 23.3 billion yen on a after-tax basis was recorded as extraordinary gains due to the share exchange gain in relation to the Janus Henderson merger. The Group continues to wait for clarification of the appropriate tax treatment.
- Please turn to page 7.

# 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>(2)</sup>			【Consolidated】		
	billions of yen			billions of yen			millions of USD			millions of AUD			billions of yen		
	9 months ended Dec-16	9 months ended Dec-17	Change	9 months ended Dec-16	9 months ended Dec-17	Change	9 months ended Sep-16	9 months ended Sep-17	Change	9 months ended Dec-16	9 months ended Dec-17	Change	9 months ended Dec-16	9 months ended Dec-17	Change
Ordinary revenues	2,959.1	2,778.3	(6%)	866.9	1,415.2	+63%	6,723	7,306	+9%	2,718	2,863	+5%	4,728.6	5,205.7	+10%
Premium and other income	1,893.7	1,698.6	(10%)	723.8	1,076.9	+49%	3,973	4,013	+1%	2,473	2,635	+7%	3,245.1	3,490.8	+8%
Investment income	801.1	876.4	+9%	143.0	338.3	+137%	2,400	2,921	+22%	183	130	(29%)	1,187.2	1,479.4	+25%
Ordinary expenses	2,726.8	2,528.8	(7%)	826.5	1,365.4	+65%	6,249	6,957	+11%	2,559	2,698	+5%	4,402.1	4,860.6	+10%
Benefits and claims	1,718.0	1,629.4	(5%)	421.5	514.1	+22%	3,540	3,553	+0%	1,690	1,871	+11%	2,641.2	2,712.2	+3%
Provision for policy reserves and others	245.1	172.4	(30%)	306.0	784.6	+156%	1,609	2,200	+37%	246	235	(5%)	726.2	1,221.4	+68%
Investment expenses	176.2	205.4	+17%	54.1	19.1	(65%)	348	460	+32%	32	32	(0%)	256.9	201.5	(22%)
Operating expenses	308.7	301.6	(2%)	40.4	41.6	+3%	581	627	+8%	504	466	(8%)	467.0	477.0	+2%
Ordinary profit	232.2	249.5	+7%	40.3	49.8	+24%	474	349	(26%)	159	164	+3%	326.5	345.1	+6%
Extraordinary gains	4.6	0.2	(94%)	--	--	--	0	0	+650%	--	--	--	17.1	33.8	+97%
Extraordinary losses	28.7	14.0	(51%)	2.4	3.0	+23%	0	0	(28%)	--	--	--	31.2	17.1	(45%)
Net income <sup>(3)</sup>	101.7	116.9	+15%	33.7	30.0	(11%)	320	242	(24%)	113	103	(8%)	183.5	199.2	+9%

(1) In relation to the shift to a holding company structure, results of Dai-ichi Life for the nine months ended December 2016 are the sum of former Dai-ichi Life and Dai-ichi Life Split Preparation Company results between April and September, 2016 and current Dai-ichi Life results between October and December, 2016.

(2) 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 Holdings' disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=101.12 yen (Sep-16) and 112.73 yen (Sep-17), 1 AUD=84.36 yen (Dec-16) and 88.17 yen (Dec-17), respectively.

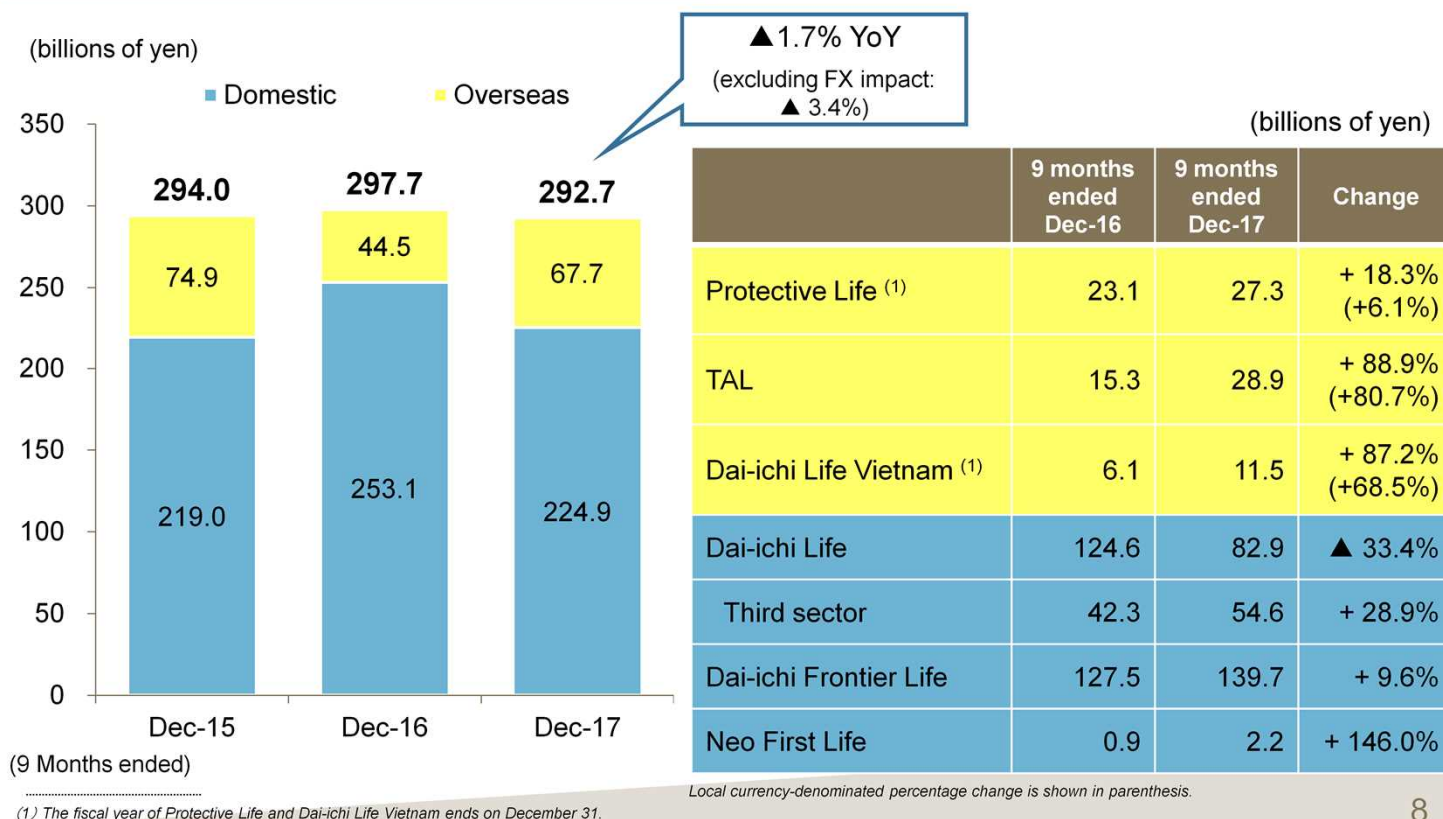
(3) Figures of "Consolidated Net income" represent those of "Net income attributable to shareholders of parent company".

- These are the financial results of each major group company.
- Please turn to page 8.



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

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

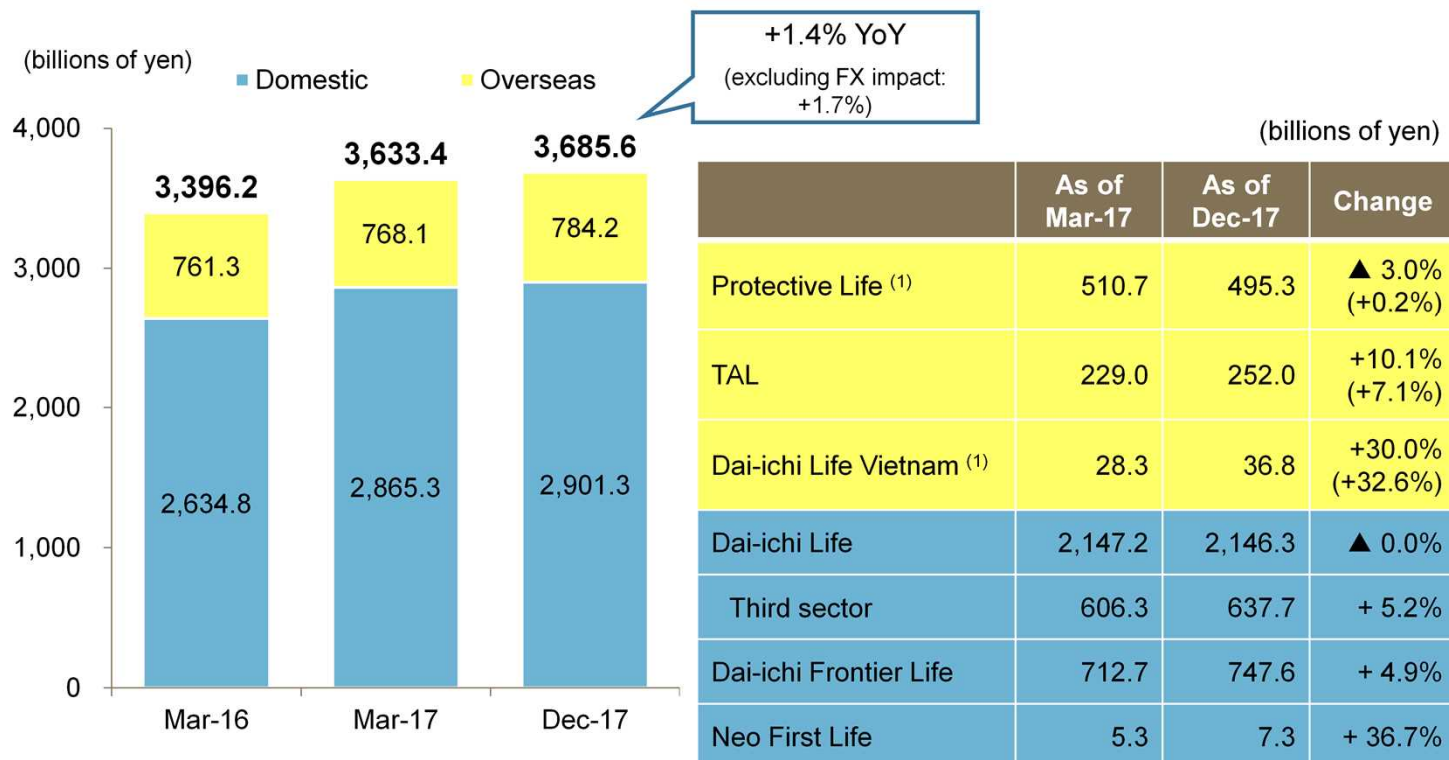


(1) The fiscal year of Protective Life and Dai-ichi Life Vietnam ends on December 31.

- I will explain the trends in annualized net premium (ANP) of our new business.
- Dai-ichi Life was faced with a two-digit percentage decline because sales of single-premium whole-life insurance were suspended and sales of level-premium individual annuities slowed down. In order to counter these changes, coinciding with the change in assumed rates of return in April, new product features were introduced and adjustments were made to the compensation system for sales representatives to promote sales of protection-type products. As a result of these efforts, the growth in sales continued for flagship protection-type products. Dai-ichi Frontier Life sales momentum was strong with the introduction of new features to foreign currency-denominated annuities and the launch of new products supported by strong sales of these products by Dai-ichi Life sales representatives. Strong sales are continuing for Neo First with the introduction of new products. Adding to the line-up, another new product designed for business owners is scheduled for launch in March. Please refer to the press release by Neo First for details.
- As for the overseas life insurance business, Protective Life's sales of fixed annuities expanded due to a pricing change. However, sales of variable annuities continued to struggle. As for TAL, because of competitive pricing within the industry, there was a slowdown in sales of certain individual insurance products. New sales grew substantially, however, as a result of the company obtaining a number of new contracts in the Group Life business during the first quarter. Dai-ichi Life Vietnam continued to perform favorably due to strong sales by independent agents together with the contribution to sales from concession channels.
- As a result, the Group's overall new business decreased by 1.7% year-on-year.
- Please turn to page 9.

## 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



<sup>(1)</sup> The fiscal year of Protective Life and Dai-ichi Life Vietnam ends on December 31.

Local currency-denominated percentage change is shown in parenthesis.

- Here are the trends in ANP from policies in-force.
- The Group's overall policies in-force maintained positive growth with an increase of 1.4% compared to the end of the previous fiscal year, or 1.7% when excluding the effects of foreign exchange rate fluctuations.
- Please turn to page 11.

# Domestic Life Insurance Business

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

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

(billions of yen)

	9 months ended Dec-16	9 months ended Dec-17	Change
Ordinary revenues	2,959.1	2,778.3	(180.8)
Premium and other income	1,893.7	1,698.6	(195.0)
Investment income	801.1	876.4	+75.2
Interest and dividends	564.4	617.8	+53.4
Gains on sale of securities	155.3	145.8	(9.4)
Gains on investments in separate accounts	50.8	84.9	+34.1
Other ordinary revenues	264.2	203.2	(61.0)
Ordinary expenses	2,726.8	2,528.8	(198.0)
Benefits and claims	1,718.0	1,629.4	(88.6)
Provision for policy reserves and others	245.1	172.4	(72.7)
Investment expenses	176.2	205.4	+29.2
Losses on sale of securities	66.6	68.4	+1.8
Losses on valuation of securities	10.7	0.3	(10.3)
Derivative transaction losses	0.4	31.6	+31.2
Foreign exchange losses	45.2	51.4	+6.2
Operating expenses	308.7	301.6	(7.1)
Ordinary profit	232.2	249.5	+17.2
Extraordinary gains	4.6	0.2	(4.3)
Extraordinary losses	28.7	14.0	(14.6)
Provision for reserve for policyholder dividends	66.0	69.9	+3.8
Income before income taxes	142.1	165.8	+23.7
Total of corporate income taxes	40.3	48.8	+8.4
Net income	101.7	116.9	+15.2

## Balance Sheet

(billions of yen)

	As of Mar-17	As of Dec-17	Change
Total assets	35,686.6	37,001.4	+1,314.7
Cash, deposits and call loans	536.9	694.4	+157.4
Monetary claims bought	192.2	184.5	(7.6)
Securities	30,498.1	31,738.8	+1,240.7
Loans	2,657.8	2,592.8	(64.9)
Tangible fixed assets	1,124.4	1,121.8	(2.5)
Total liabilities	33,205.0	33,803.3	+598.3
Policy reserves and others	30,864.7	31,000.6	+135.9
Policy reserves	30,249.1	30,415.3	+166.1
Contingency reserve	594.0	597.3	+3.3
Bonds payable	476.2	476.2	-
Other liabilities	1,004.7	1,214.1	+209.4
Reserve for employees' retirement benefits	380.8	395.1	+14.2
Reserve for price fluctuations	164.4	176.4	+12.0
Deferred tax liabilities	129.8	351.1	+221.3
Total net assets	2,481.6	3,198.1	+716.4
Total shareholders' equity	561.2	648.6	+87.4
Total of valuation and translation adjustments	1,920.3	2,549.4	+629.0
Net unrealized gains (losses) on securities, net of tax	1,963.2	2,595.0	+631.7
Reserve for land revaluation	(17.5)	(17.9)	(0.4)

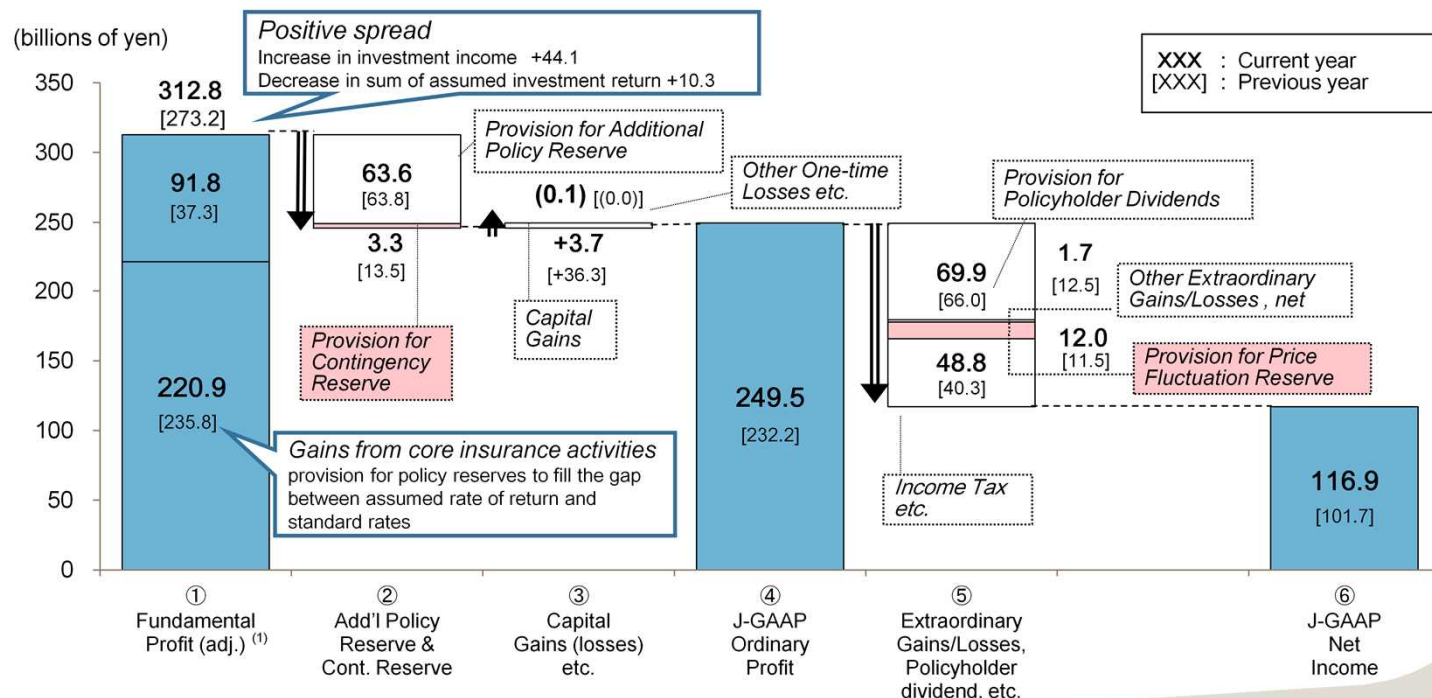
(1) In relation to the shift to a holding company structure, results of Dai-ichi Life for the nine months ended December 2016 are the sum of former Dai-ichi Life and Dai-ichi Life Split Preparation Company results between April to September, 2016 and current Dai-ichi Life results between October to December, 2016.

- Here are the summary financial statements for Dai-ichi Life.
- Please turn to page 12.



## Dai-ichi Life's Results – From Fundamental Profit to Net Income

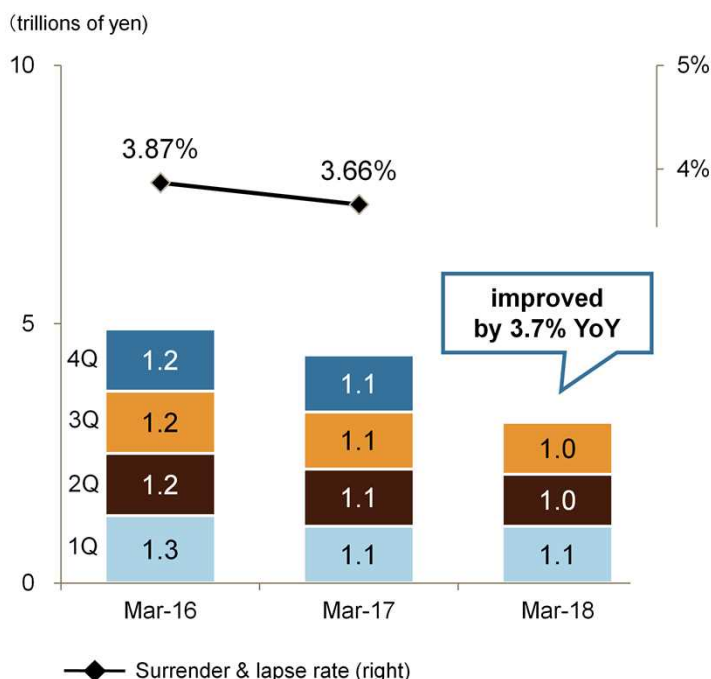
- Significant improvement in positive spread due to favorable impacts from market conditions
- Ordinary profit up due to a larger increase in interest and dividends compared to the decline in capital gains
- Provision for contingency reserves for insurance risk reflecting growth in sales of protection-type products



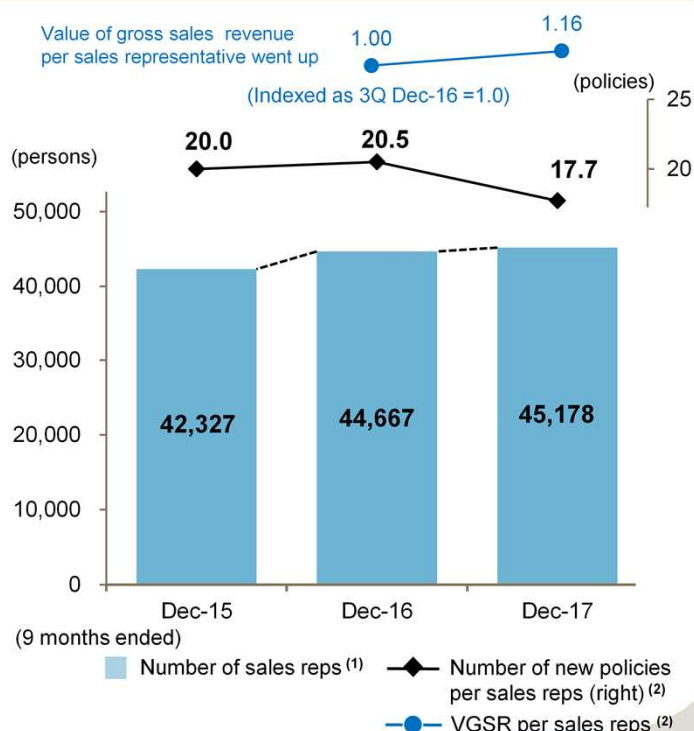
(1) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance). From the fiscal year ending March 2018, fundamental profit before adjustment does not include the effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance and the effect of change in the exchange rates related to foreign currency denominated insurance contracts.

- This page 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.
- Adjusted fundamental profit increased from the previous year because of a significant improvement in positive spread that was in part offset by a decline in gains from core insurance activities. Gains from core insurance activities declined year-on-year due to provision for policy reserves to fill the gap between the company's assumed rate of return and standard rates.
- Please turn to page 13.

## Surrender & Lapse (Individual Insurance & Annuities)



## Number of Sales Reps and Productivity



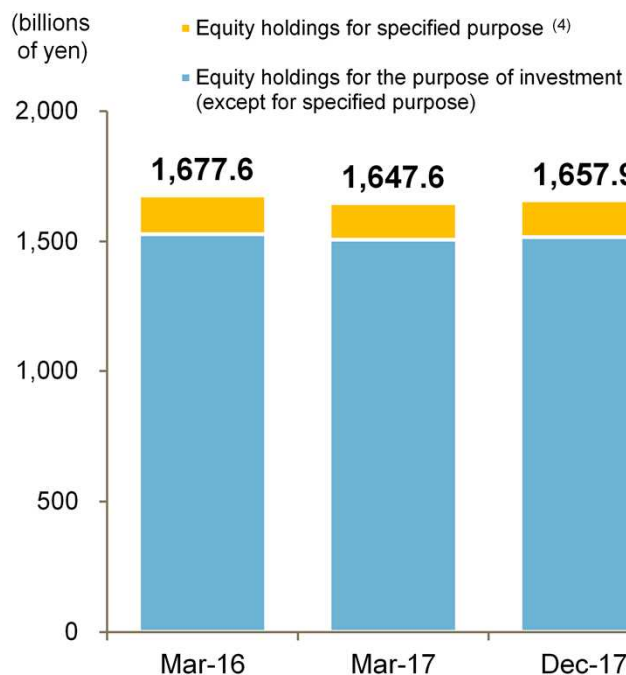
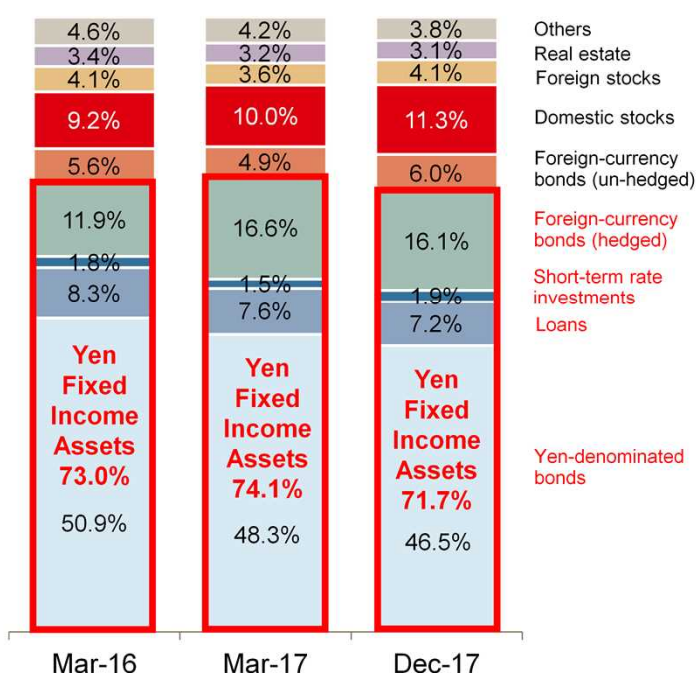
(1) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.

(2) Calculated by dividing the number of new policy and VGSR (value of gross sales revenue) respectively, by the average number of sales representatives in each period. VGSR is an internal index of revenue of the sales force and is the value of new business before deduction of operating expenses etc. excluding the effect associated with environmental changes.

- This page shows the quality of in-force business and trends in the size and productivity of Dai-ichi Life's sales representative channel.
- The surrender and lapse rate maintained a favorable trend.
- The number of new policies per sales representative declined as sales of individual annuities slowed down. However, the value of gross sales revenue per sales representative was up compared to the previous year because of an increase in sales of protection-type products.
- Please turn to page 14.

## Asset Portfolio (General Account) (1)(2)

## Book Value of Domestic Stocks (3)



(1) 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 2016 is restated as if the shift to a holding company structure had been completed at the beginning of the period.

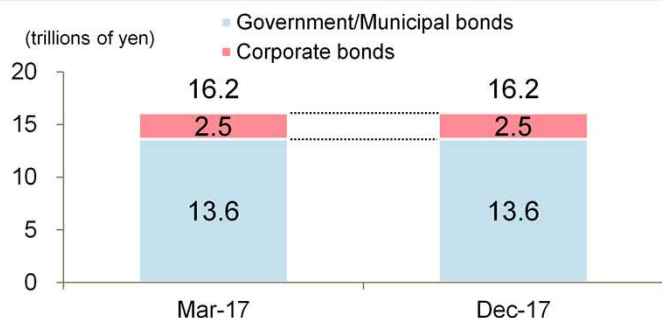
(2) Carrying amount - basis

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

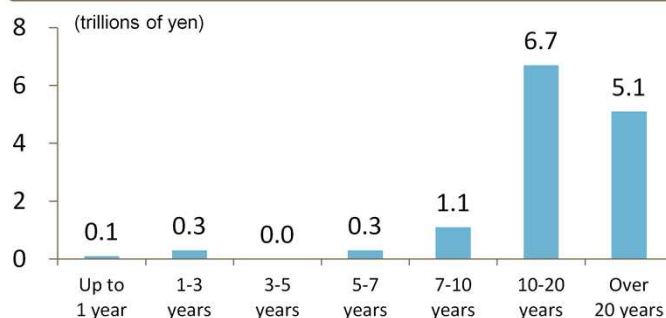
(4) Equity holdings other than those held solely for the purpose of investment (excluding stocks of unlisted companies and contributed to the retirement benefit trust)

- I will explain our investment portfolio.
- The graph on the left shows the breakdown of Dai-ichi Life's general account portfolio. Assets are allocated with flexibility upon observing the trends in interest rates, hedging costs and foreign currency exchange rates. We increased allocation to un-hedged foreign currency-denominated bonds as of December 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 increased because our investments in growth areas exceeded stocks sold for the purpose of reducing risk. We expect sales of domestic stocks to increase towards the end of the fiscal year.
- Please turn to page 15.

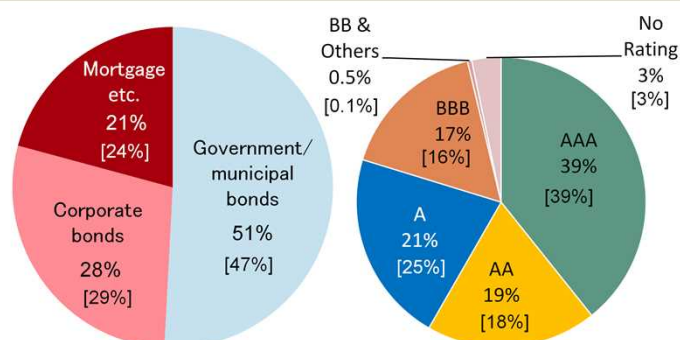
## Yen-denominated Bonds <sup>(1)</sup>



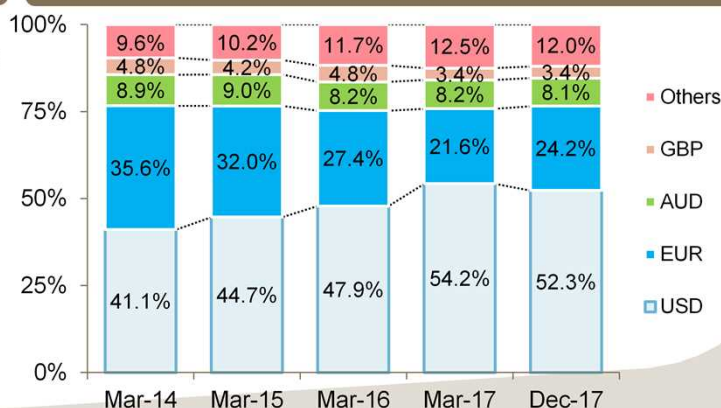
## Domestic Government Bonds <sup>(2)</sup> by Maturity (Dec-17)



## Foreign Currency Bond Portfolio <sup>(2)(3)(4)</sup> (Dec-17)



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



(1) Book value - basis  
 (2) Carrying amount - basis  
 (3) Rating breakdown based on ratings from S&P & Moody's, excluding mortgage etc.  
 (4) Figures in [ ] are as of March 31, 2017.

- I will explain the profile of our bond portfolio in more detail.
- Regarding foreign currency bonds, we continue to invest mainly in bonds with high credit ratings. Compared to the previous fiscal year-end, we increased our investment in government bonds.
- The graph on the bottom right shows the breakdown of foreign currency bonds by currency. In response to rising U.S. dollar hedging costs, we increased investment in euro-denominated securities which have relatively low hedging costs.
- Please turn to page 16.

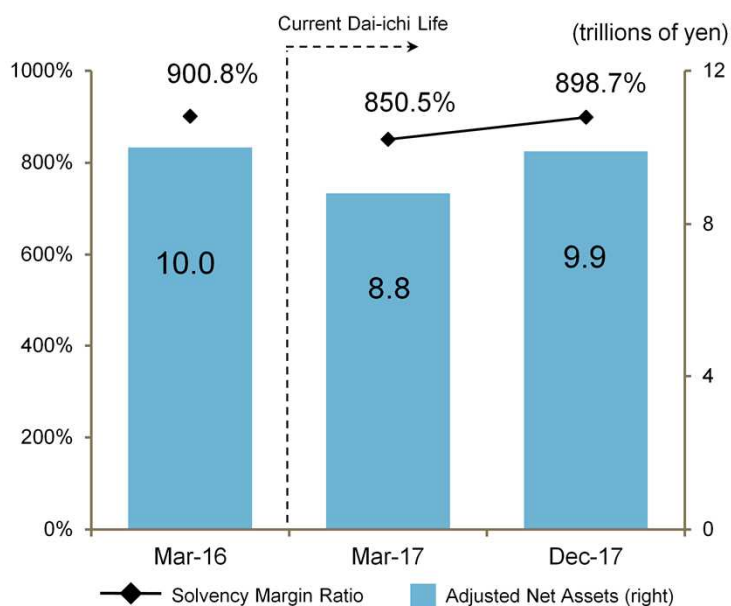


## Unrealized Gains/Losses (General Account)

(billions of yen)

	As of Mar-17	As of Dec-17	Change
Securities	5,491.0	6,332.5	+841.4
Domestic bonds	3,243.9	3,209.2	(34.7)
Domestic stocks	1,687.8	2,265.0	+577.1
Foreign bonds	394.7	599.0	+204.2
Foreign stocks	125.2	209.3	+84.0
Real estate	166.7	205.9	+39.2
General Account total	5,637.0	6,516.9	+879.8

## Solvency Margin Ratio & Adjusted Net Assets



<Reference> Consolidated Solvency Margin Ratio  
of Dai-ichi Life Holdings  
as of December 31, 2017: 831.1%

- I will explain the financial soundness of Dai-ichi Life.
- The chart on the left shows the change in unrealized gains in the company's general account assets. In overseas markets, in addition to the rise in stock prices, the yen further weakened. In such an environment, unrealized gains on foreign bonds increased. Unrealized gains on domestic stocks also increased but because of realization of gains due to a rebalancing of our assets, unrealized gains on domestic bonds decreased.
- As a result, unrealized gains in the company's general account assets increased by approximately 880.0 billion yen against the previous fiscal year end.
- The solvency margin ratio of current Dai-ichi Life shown on the graph on the right remained at a high level of 898.7% at the end of December 2017.
- Please turn to page 18.

	Sensitivities <sup>(1)</sup>	Breakeven Points <sup>(2)</sup>
Domestic stocks	<p>Nikkei 225 1,000 yen change:</p> <p>December 2017: ±170 billion yen (March 2017: ±170 billion yen)</p>	<p>Nikkei 225</p> <p>December 2017: 9,500 yen (March 2017: 9,400 yen)</p>
Domestic bonds	<p>10-year JGB Yield 10bp change:</p> <p>December 2017: ± 260 billion yen * (March 2017: ±260 billion yen)</p> <p>* Available-for-sale securities: December 2017: ± 30 billion yen (March 2017: ±30 billion yen)</p>	<p>10-year JGB Yield</p> <p>December 2017: 1.3% * (March 2017: 1.3%)</p> <p>* Available-for-sale securities: December 2017: 1.4% (March 2017: 1.4%)</p>
Foreign securities	<p>JPY / USD 1 yen change:</p> <p>December 2017: ± 26 billion yen (March 2017: ±21 billion yen)</p>	<p>JPY / USD</p> <p>December 2017: \$1 = 104 yen (March 2017: 105 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).

## Profit and Loss Statement

	(billions of yen)		
	9 months ended Dec-16	9 months ended Dec-17	Change
Ordinary revenues	866.9	1,415.2	+548.3
Premium and other income	723.8	1,076.9	+353.0
Investment income	143.0	338.3	+195.3
Hedge gains related to GMMB risk	-	-	-
Foreign exchange gains	-	73.6	+73.6
Ordinary expenses	826.5	1,365.4	+538.8
Benefits and claims	421.5	514.1	+92.5
Provision for policy reserves and others (negative indicates a reversal)	306.0	784.6	+478.6
Related to GMMB risk	(0.5)	(21.5)	(20.9)
Contingency reserve	(0.8)	8.5	+9.3
Investment expenses	54.1	19.1	(34.9)
Hedge losses related to GMMB risk	27.5	28.7	+1.1
Foreign exchange losses	13.5	-	(13.5)
Operating expenses	40.4	41.6	+1.1
Ordinary profit	40.3	49.8	+9.5
Total of corporate income taxes	4.1	16.7	+12.5
Net income	33.7	30.0	(3.6)
Adjusted Profit	17.9	25.9	+8.0
[Additional reconciliation items for net income]			
Net income	33.7	30.0	(3.6)
Gains (losses) related to GMMB risk <sup>(1)</sup>	(16.0)	3.5	+19.6
Gains (losses) related to market value adjustment <sup>(2)</sup>	18.9	5.8	(13.1)
Operating Income	36.7	48.9	+12.2
Provision for contingency reserves and price fluctuation reserves, and tax	(5.8)	(28.2)	(22.4)

## Balance Sheet

	(billions of yen)		
	As of Mar-17	As of Dec-17	Change
Total assets	6,742.4	7,636.0	+893.5
Cash and deposits	109.8	132.2	+22.4
Securities	6,214.9	6,885.7	+670.7
Total liabilities	6,632.1	7,486.4	+854.2
Policy reserves and others	6,419.0	7,203.7	+784.6
Policy reserves	6,409.8	7,193.5	+783.6
Contingency reserve	114.9	123.4	+8.5
Total net assets	110.3	149.5	+39.2
Total shareholders' equity	93.0	123.1	+30.0
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(91.9)	(61.8)	+30.0

(1) Together with provision for policy reserves related to GMMB risk and related hedge gains (losses), risk charge included in premium for variable products, payments related to minimum guarantee and reinsurance account balance are accounted for in "Gains (losses) related to GMMB risk" (For the nine months ended December 2016: 10.8 billion yen. For the nine months ended December 2017: 10.7 billion yen).

(2) Provision or reversal of policy reserve related to market value adjustment excludes those parts that have no impact on ordinary profit.

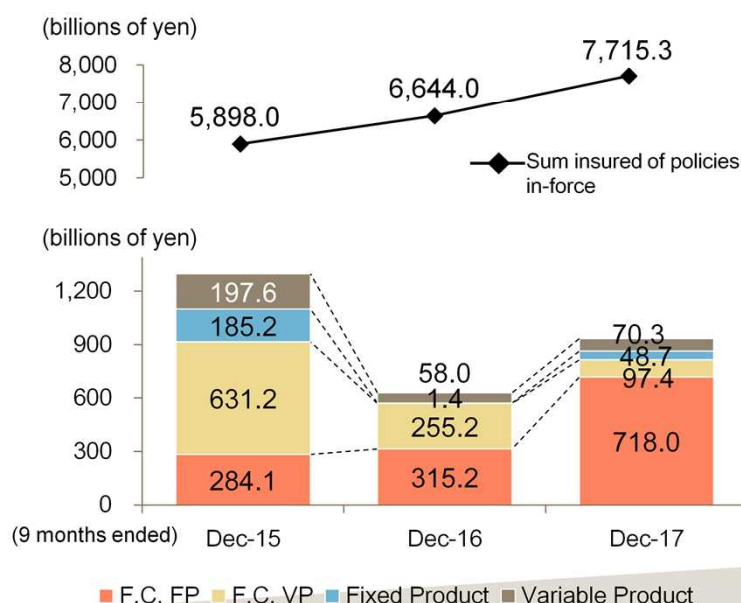
The following items include items that are offset by provision for (reversal of) policy reserves and unrealized gains (losses) on investments. There is impact of gains (losses) but they do not have a significant impact on business results. (Gains or losses on investments in separate accounts, foreign exchange gains or losses, derivative transaction gains or losses)

- Here are the summary financial statements for Dai-ichi Frontier Life. Gains and losses related to guaranteed minimum maturity benefit (GMMB) risk that fluctuates based on the financial environment and gains (losses) related to market value adjustment (MVA) are shown here.
- Please turn to page 19.

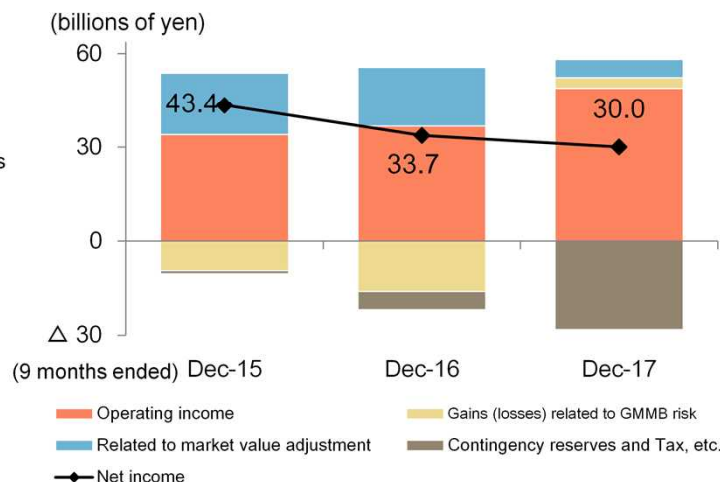
## Results Highlights

- Favorable sales due to the introduction of new features to foreign currency fixed products and launch of new products contributed to an increase in sum insured of policies in-force and premium income.
- Operating income was driven by accumulated sum insured of policies in-force. Net income decreased due to provision for contingency reserve and heavier corporate tax burden.

### Sum insured of policies in-force and premium income



### Operating income and net income



Note: Operating income is an internal management indicator that represents basic profitability by excluding Gains (losses) related to GMMB risk and Gains (losses) related to MVA and provision for contingency reserves, etc. from net income.

- I will explain the results of Dai-ichi Frontier Life (DFL).
- We have already discussed sales results earlier on page 8 but please refer to the charts on the left for more details on sales trends by product type. The company's sum insured of policies in-force increased steadily due to favorable sales.
- The right chart shows the change in the components of net income. In addition to improvement in operating income due to an increase in sales, investment gains increased due to high stock prices and resulted in gains related to GMMB risk with a positive impact on net profit. MVA related gains have settled to a certain degree this quarter compared to the previous year when this component was largely affected by the rise in interest rates at the end of 2016.
- Net income was down year-on-year but still above the company's expectations. The decrease in net income was mainly due to an increase in provision for contingency reserve because of an increase in sales of foreign-currency denominated products and the heavier corporate tax burden after the utilization of tax losses carried forward during the previous period.
- Next I will discuss the results of our major subsidiaries in the overseas life insurance business. Please turn to page 21.



# Overseas Life Insurance Business

# Protective Life Results - Summary Financial Statements

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

(millions of USD)

	9 months ended Sep-16	9 months ended Sep-17	Change
Ordinary revenues	6,723	7,306	+583
Premium and other income	3,973	4,013	+40
Investment income	2,400	2,921	+521
Other ordinary revenues	349	371	+21
Ordinary expenses	6,249	6,957	+708
Benefits and claims	3,540	3,553	+13
Provision for policy reserves and other	1,609	2,200	+590
Investment expenses	348	460	+111
Operating expenses	581	627	+45
Other ordinary expenses	168	115	(52)
Ordinary profit	474	349	(124)
Total of corporate income taxes	152	106	(46)
Net income	320	242	(78)

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

(millions of USD)

	As of Dec-16	As of Sep-17	Change
Total assets	75,005	78,975	+3,970
Cash and deposits	350	383	+33
Securities	56,237	59,741	+3,504
Loans	7,784	8,157	+372
Tangible fixed assets	114	114	+0
Intangible fixed assets	2,937	2,856	(80)
Goodwill	793	793	-
Other intangible fixed assets	2,122	2,029	(92)
Reinsurance receivable	161	219	+58
Total liabilities	69,533	72,847	+3,314
Policy reserves and other	60,702	63,189	+2,487
Reinsurance payables	247	251	+4
Bonds payable	4,230	4,205	(25)
Other liabilities	2,641	3,148	+506
Total net assets	5,471	6,127	+656
Total shareholders' equity	6,126	6,224	+98
Total accumulated other comprehensive income	(654)	(96)	+557

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

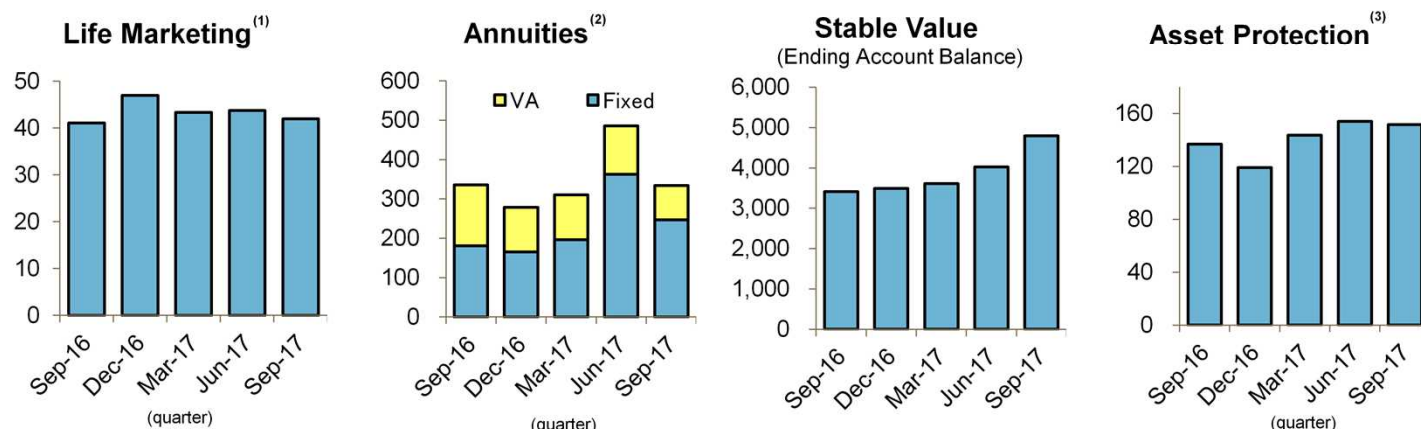
(2) The fiscal year of Protective Life ends on December 31.

- 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 22.

## Overview

- Overall sales continued to be favorable with the exception of variable annuities.
- Pre-tax adjusted operating income increased by 10% against the previous year due to higher account balance and improved investment income in the Stable Value segment and favorable impact of DAC unlocking in the Life Marketing segment.
- Net income declined due to lower realized gain related to modified co-insurance contracts.

## Sales results (millions of USD)



(1) Sales of life marketing are based mainly on annualized premiums.

(2) Sales of annuities are based mainly on the amount of purchase payments received.

(3) Sales of asset protection are based on the amount of single-premiums and fees received.

- Here is an overview of Protective Life's business.
- Sales across each segment continued to be favorable overall. As for the Life Marketing segment, favorable sales of universal insurance continued. As for the Annuities segment, sales of variable annuities remained slow because individual agents were cautious towards their sales activities in light of expected regulatory changes relating to the distribution of financial products.
- Please turn to page 23.

## Pre-tax Adjusted Operating Earnings <sup>(1)</sup>

(millions of USD)

	9 months ended Sep-16	9 months ended Sep-17	Change	
Life Marketing	36.9	51.1	+ 14.2	+ 38.4%
Acquisitions	184.0	184.8	+ 0.7	+ 0.4%
Annuities	164.1	161.5	(2.6)	(1.6%)
Stable Value	44.3	74.2	+ 29.9	+ 67.5%
Asset Protection	16.2	19.0	+ 2.8	+ 17.8%
Corporate & other	(60.2)	(67.4)	(7.2)	+ 12.0%
Pre-tax Adjusted Operating Earnings <sup>(2)</sup>	385.5	423.4	+ 37.8	+ 9.8%
Realized Gain (Loss) on investments	183.3	122.3	(60.9)	(33.3%)
Realized Gain (Loss) on derivatives	(95.3)	(196.8)	(101.5)	+ 106.5%
Tax	(152.8)	(106.7)	+ 46.0	(30.2%)
Net Income	320.7	242.2	(78.5)	(24.5%)

<Reference>

	Sep-16	Sep-17
JPY / USD exchange rate	101.12	112.73

### [Life Marketing]

- Higher universal life claims were more than offset by a favorable impact of DAC unlocking

### [Acquisitions]

- Lower claims partly offset by expected runoff of in-force blocks

### [Annuities]

- Higher single premium immediate annuities benefits were offset by lower DAC expenses due to unlocking

### [Stable Value]

- Higher average account balance and participating mortgage income

### [Asset Protection]

- Favorable loss ratio and the earnings contribution from US Warranty Corporation

(1) Protective's fiscal year ends on December 31.

(2) Pre-tax Adjusted Operating Earnings are income before income tax, excluding realized gains and losses on investments and derivatives etc.

- Pre-tax adjusted operating income increased 10% year-on-year, driven by the Stable Value segment, which benefited from a combination of higher account balance and improvement in investment income. For the Life Marketing and Annuities segments, there was a positive impact from a year-on-year decrease in amortization of deferred acquisition costs (DAC) after a revision to the assumptions applied for calculating future profit. Single-premium immediate annuities benefits increased compared to the previous year and had a negative impact on the Annuities segment.
- Net income declined by about 25% year-on-year due to lower realized gain related to modified co-insurance contracts.
- Next I will explain the results of TAL in Australia.
- Please turn to page 24.



# TAL's Results – Summary Financial Statements

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

(millions of AUD)

	9 months ended Dec-16	9 months ended Dec-17	Change
Ordinary revenues	2,718	2,863	+144
Premium and other income	2,473	2,635	+161
Investment income	183	130	(53)
Other ordinary revenues	61	97	+35
Ordinary expenses	2,559	2,698	+138
Benefits and claims	1,690	1,871	+181
Provision for policy reserves and others	246	235	(11)
Investment expenses	32	32	(0)
Operating expenses	504	466	(38)
Other ordinary expenses	85	92	+7
Ordinary profit	159	164	+5
Total of corporate income taxes	46	60	+14
Net income	113	103	(9)
Underlying profit	133	141	+7

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

(millions of AUD)

	As of Mar-17	As of Dec-17	Change
Total assets	7,178	6,013	(1,165)
Cash and deposits	1,559	1,713	+153
Securities	2,830	1,467	(1,362)
Tangible fixed assets	0	0	+0
Intangible fixed assets	1,178	1,156	(21)
Goodwill	786	786	-
Other intangible fixed assets	392	370	(21)
Reinsurance receivable	131	123	(7)
Other assets	1,478	1,550	+72
Total liabilities	4,887	3,637	(1,249)
Policy reserves and others	3,525	2,312	(1,212)
Reinsurance payables	290	319	+29
Bonds payable	240	240	+0
Other liabilities	734	638	(95)
Deferred tax liabilities	95	125	+30
Total net assets	2,291	2,375	+83
Total shareholders' equity	2,291	2,375	+83
Capital stock	1,630	1,630	-
Retained earnings	660	744	+83

(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 Holdings' disclosure standards.

- Here are the summary financial statements for TAL.
- Please turn to page 25.

## Overview

- While pricing competition intensified for the Individual segment, in-force ANP grew because a number of new contracts were signed during Q1 in the Group segment
- Despite an increase in claims in the Individual and Group segments, improvement in operating expenses and price revision contributed to a 5% growth in underlying profit
- Net income declined by 8% YoY due to unfavorable investment income, etc.

(millions of AUD)

	9 months ended Dec-16	9 months ended Dec-17	% Change
Net income (A) <sup>(2)</sup>	113	103	(8%)
Adjustments after tax (B)	20	37	
Discount rate changes	1	0	
Amortization charges	15	14	
Preferred stock dividends	14	6	
Others	(10)	14	
Underlying profit (A + B)	133	141	+ 5%

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

(2) Disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life Holdings' disclosure standards.

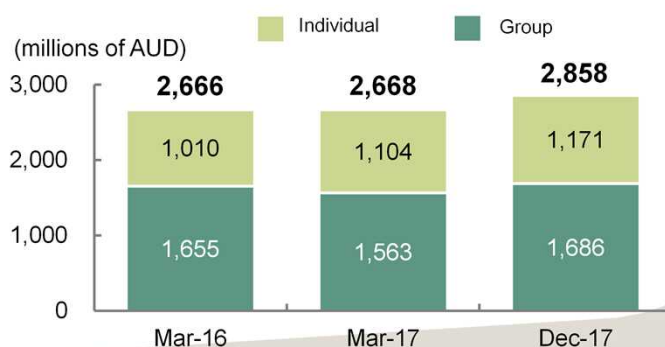
## New Business ANP

(millions of AUD)

		9 months ended Dec-15	9 months ended Dec-16	9 months ended Dec-17	Change
Individual	New sales	107	110	104	(5)
	Change in in-force	66	73	89	+ 15
	Sub-total	173	184	194	+ 10
Group	New sales	331	5	160	+ 154
	Change in in-force	(0)	(8)	(26)	(18)
	Sub-total	331	(2)	133	+ 136
Total		505	181	328	+ 146

\* Change in in-force is due to renewal of insurance contract and premium adjustment etc.

## ANP from Policies in-Force



- We discussed the results of TAL earlier on page 8. In the Australian market, a major industry reorganization has been taking place. As a result, new business of individual insurance struggled due to competitive pricing within the industry. However, because TAL entered into contracts with a number of new partners in the Group business during the first quarter, TAL's ANP from policies in-force increased by 7% compared to the end of the previous fiscal year.
- Ordinary revenues were driven by an increase in premium income of 7% year-on-year as sum insured of policies in-force accumulated. Claims for income protection insurance remained unfavorable compared to the company's expectations in light of the economic environment. However, because of a price revision and cost control, the company recorded a 5% improvement in underlying profit. Net income declined by 8% year-on-year due to factors including unfavorable investment income compared to the previous year.
- Next, I will move on to our consolidated earnings guidance. Please turn to page 27.

# Earnings Guidance

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

- Upward revision to Group adjusted profit. Upward revision to net income due to a one-time increase in Protective Life's profit relating to the reduction in the U.S. corporate tax rate. This one-time profit is not reflected in Group adjusted profit.
- Target total payout ratio of 40% and dividends per share of 45 yen remain unchanged.

(billions of yen unless otherwise noted) (Reference)

	Year ended Mar-17	Year ending Mar-18 *Forecast revised on Feb. 14, 2018	Change	Year ending Mar-18 *Forecast revised on Nov. 14, 2017	Year ending Mar-18 *Original forecast of May 15, 2017
<b>Ordinary revenues</b>	<b>6,456.7</b>	<b>6,715.0</b>	<b>+258.2</b>	<b>6,004.0</b>	<b>6,004.0</b>
Dai-ichi Life	3,946.7	3,663.0	(283.7)	3,663.0	3,663.0
Dai-ichi Frontier Life	1,183.2	1,723.0	+539.7	1,012.0	1,012.0
Protective Life (millions of USD)	8,873	8,710	(163)	8,710	8,710
TAL (millions of AUD)	3,574	3,760	+185	3,760	3,760
<b>Ordinary profit</b>	<b>425.3</b>	<b>472.0</b>	<b>+46.6</b>	<b>426.0</b>	<b>363.0</b>
Dai-ichi Life	281.8	385.0	+103.1	334.0	272.0
Dai-ichi Frontier Life	63.7	29.0	(34.7)	29.0	29.0
Protective Life (millions of USD)	594	460	(134)	460	460
TAL (millions of AUD)	211	180	(31)	180	180
<b>Net income<sup>(1)</sup></b>	<b>231.2</b>	<b>351.0</b>	<b>+119.7</b>	<b>226.0</b>	<b>179.0</b>
Dai-ichi Life	117.1	185.0	+67.8	146.0	111.0
Dai-ichi Frontier Life	50.2	17.0	(33.2)	17.0	17.0
Protective Life (millions of USD)	393	1,100	+706	310	310
TAL (millions of AUD)	148	130	(18)	130	130
<b>Dividends per share (yen)</b>	<b>43</b>	<b>45</b>	<b>+2</b>	<b>45</b>	<b>45</b>

(Reference) Fundamental Profit

Dai-ichi Life Group	528.6	around 560.0	+31.3	around 520.0	around 480.0
Dai-ichi Life	391.6	around 430.0	+38.3	around 390.0	around 340.0

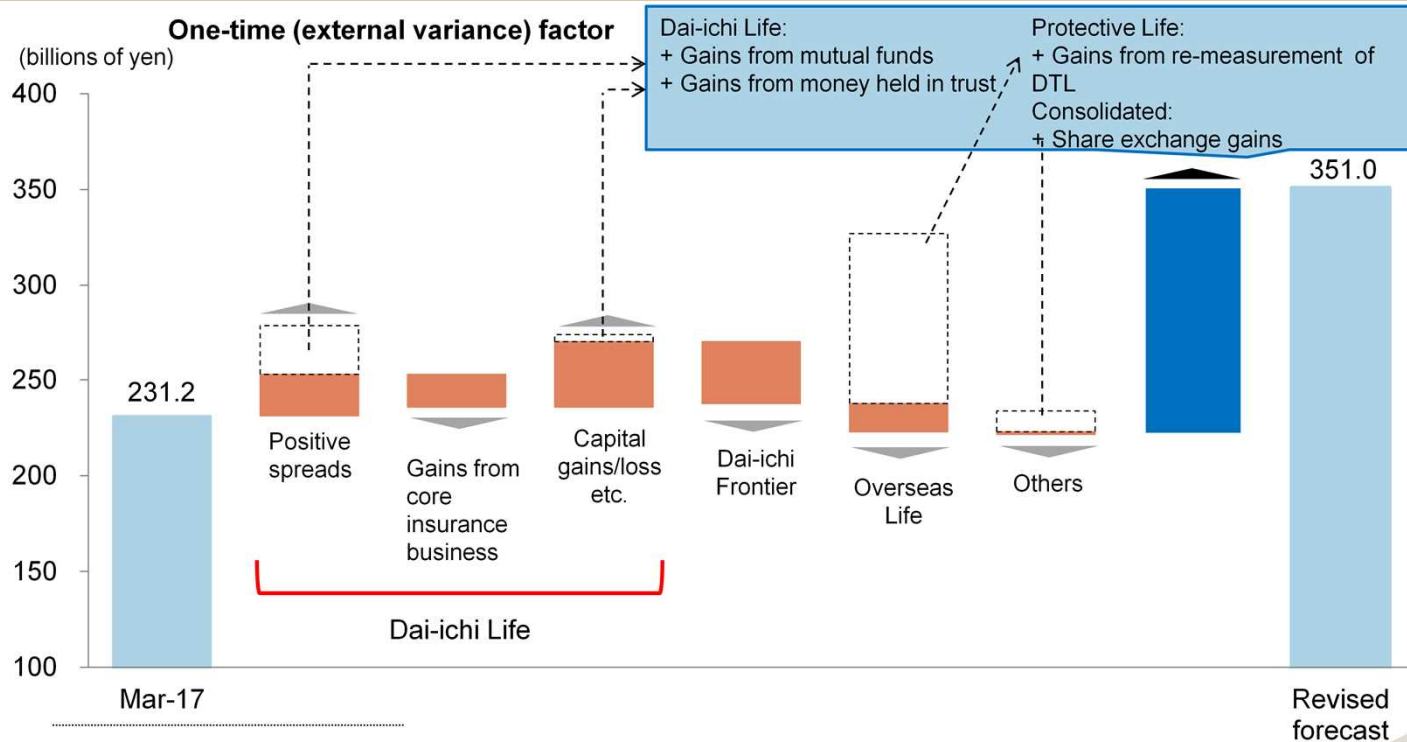
(1) Figures of "Consol. Net Income" represent those of "Net income attributable to shareholders of parent company".

27

- In November 2017, we made an upward revision to our annual forecasts because interest and dividend income at Dai-ichi Life was above expectations in light of improvements in the economic environment. Despite a strong recent adjustment trend in the stock market, barring considerable deterioration in financial environment going forward, we expect further improvements in our business. We therefore made an upward revision to our Group adjusted profit forecast to 230 billion yen from our previous forecast of 200 billion yen. We also made a significant upward revision to our consolidated net income forecast due to a one-time increase in profit for Protective Life that is expected from a re-measurement of deferred tax liabilities as a result of the reduction in the U.S. corporate tax rate.
- On page 28 and 29, you can find the underlying factors that support our upward revision. It is important to note that the improvement in investment income is based on investment activities given current market conditions. They include investment revenues from gains on distribution from mutual funds for example. Such gains do not necessarily impact our business on a regular basis. Please consider these factors in making investment decisions.
- As for shareholder returns, since we base our decision on actual results for the fiscal year, we maintain our forecast for dividends per share of 45 yen.
- Next, I will talk about group embedded value. Please turn to page 31.



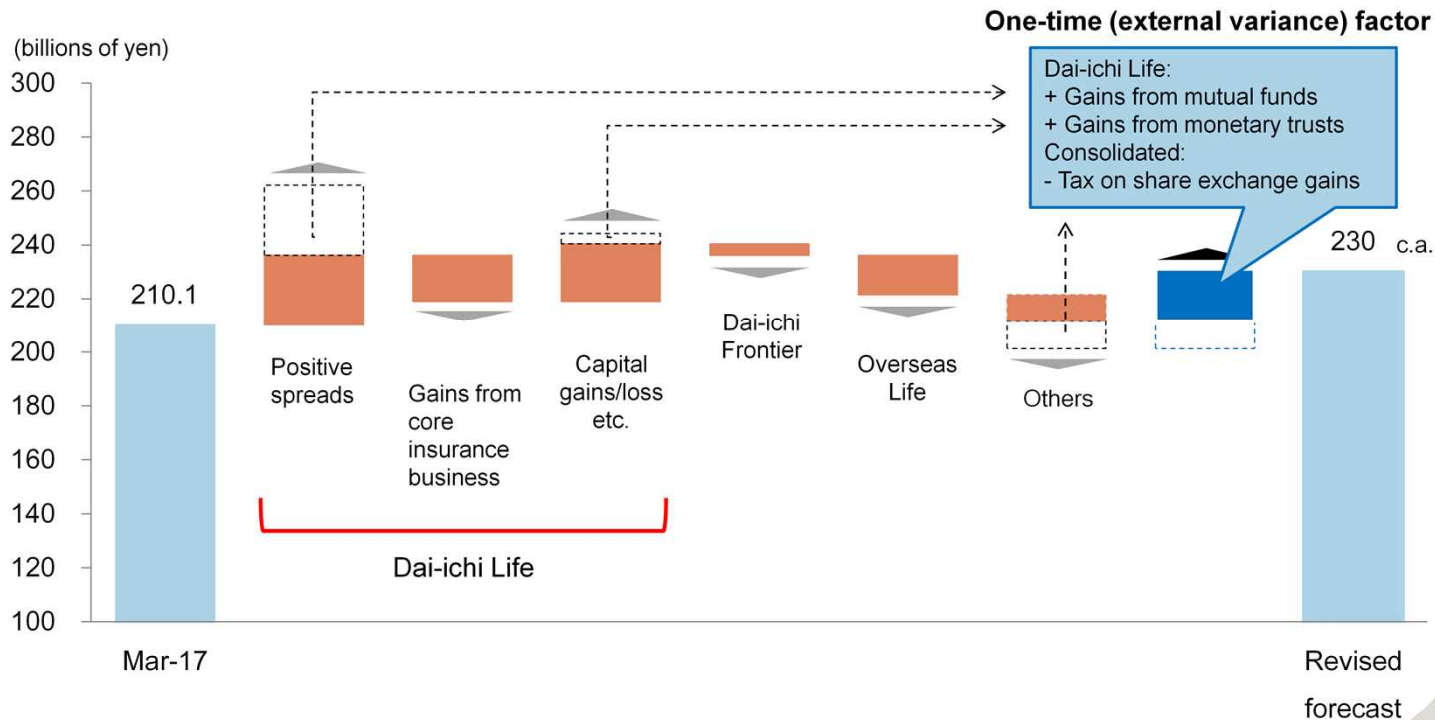
## Consolidated net income



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

# Analysis of Changes in Group Adjusted Profit

## Group Adjusted Profit



# Group Embedded Value

- European Embedded Value (EEV) at the end of December 2017 increased from the end of September mainly due to rise in stock prices and underwriting of new policies

## EEV of the Group

(preliminary calculation, billions of yen)

	As of Sep-17	As of Dec-17	Change
EEV of the Group	6,105.1	ca. 6,450	ca. +350
EEV for Covered Businesses <sup>(1)</sup>	6,297.8	ca. 6,650	ca. +360
Adjusted net worth	6,549.7	ca. 6,990	ca. +440
Value of in-force business	(251.8)	ca. (340)	ca. (90)
Adjustments to net worth etc. of non-covered businesses <sup>(2)</sup>	(192.7)	ca. (200)	ca. (10)

(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 (1,220 billion yen) of non-consolidated Dai-ichi Life Holdings as of December 31, 2017, adjustments related to interest (minus 1,470 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.

- Group EEV as of December 31, 2017 was approximately 6.4 trillion yen, an increase of approximately 350 billion yen from September 30, 2017. This was due to securing new policies and improvements in the financial environment such as the rise in foreign and domestic stock prices.

- Please turn to page 32.



## EEV – European Embedded Value (2)

### EEV of Group Companies

(preliminary calculation, billions of yen)

	17-Sep	17-Dec	Change
<b>Dai-ichi Life</b>	4,974.9	ca. 5,290	ca. +310
Adjusted net worth	5,792.0	ca. 6,160	ca. +370
Value of in-force business	(817.0)	ca. (870)	ca. (60)
<b>Dai-ichi Frontier Life</b>	389.2	ca. 410	ca. +20
Adjusted net worth	189.2	ca. 240	ca. +50
Value of in-force business	199.9	ca. 180	ca. (20)
	Jun-17	Sep-17	Change
<b>Protective Life</b>	586.7	ca. 600	ca. +10
Adjusted net worth	416.2	ca. 440	ca. +20
Value of in-force business	170.4	ca. 160	ca. (10)
	17-Sep	17-Dec	Change
<b>TAL</b>	288.4	ca. 300	ca. +10
Adjusted net worth	136.4	ca. 140	ca. +0
Value of in-force business	151.9	ca. 150	ca. +0

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

	Jun-17	Sep-17	Change
	5,239	ca. 5,300	ca. +100
	3,716	ca. 3,900	ca. +200
	1,522	ca. 1,400	ca. (100)
	17-Sep	17-Dec	Change
	3,260	ca. 3,400	ca. +100
	1,542	ca. 1,600	ca. +100
	1,717	ca. 1,800	ca. +0

- This page shows the EEV of each group company.
- All major subsidiaries reported growth in embedded value.
- Please turn to the next page.

## ■ Value of New Business improved in Domestic Life Insurance Business as Sales Shifted to Protection-Type Products

2Q FY Mar-18

3Q FY Mar-18

Dai-ichi Life (billions of yen, %)

	6 months to Sep-16	6 months to Sep-17	Change
Value of new business	29.3	79.6	+50.3
Present value of premium income	1,460.6	1,043.2	(417.4)
New business margin	2.01%	7.64%	+5.63pts

VNB Approx. 120 billion Yen  
VNB Margin mid 7%

- Value of new business at Dai-ichi Life continued its momentum as the company shifted its product portfolio to protection-type products.
- This concludes my presentation. Thank you.

# EEV of Dai-ichi Life Group after reclassification (4)

## EEV of the Group

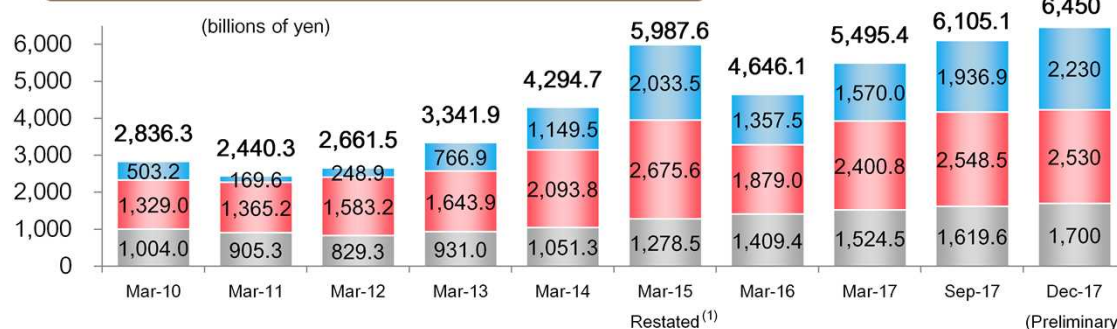
(preliminary calculation,  
billions of yen)

	Sep-17	Dec-17	Change
Group EEV	6,105.1	ca. 6,450	ca. +350
Covered Businesses	6,297.8	ca. 6,650	ca. +360
Adjusted net worth	6,549.7	ca. 6,990	ca. +440
Value of in-force business	(251.8)	ca. (340)	ca. (90)
Adjustment for non-covered businesses	(192.7)	ca. (200)	ca. (10)

## Reclassification of EEV from ALM point of view

	Sep-17	Dec-17
Group EEV	6,105.1	ca. 6,450
Unrealized gains on other assets <sup>(2)</sup>	1,936.9	ca. 2,230
VIF <i>plus</i> unrealized gains on Yen-denominated fixed income assets <sup>(3)</sup>	2,548.5	ca. 2,530
Net worth, etc. <i>plus</i> retained earnings in liabilities <sup>(4)</sup>	1,619.6	ca. 1,700

## 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 interest 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.

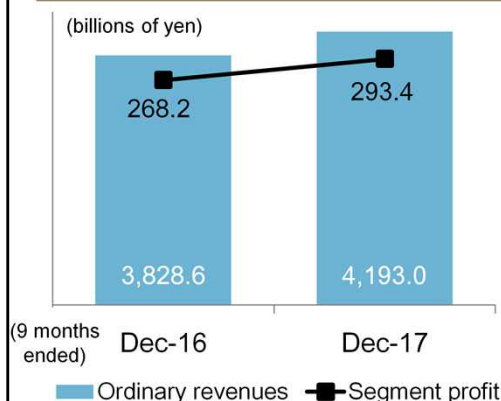
(4) The sum of adjusted net worth of EEV for covered businesses and adjustments relating to net worth of non-covered businesses excluding unrealized gains.

# Appendix



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

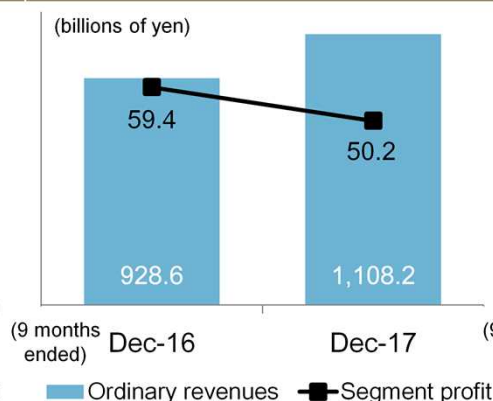
## Domestic Life Insurance Business



■ Ordinary revenues: Increased because of favorable sales at DFL, partly offset by decrease in premium and other income at Dai-ichi Life as a result of controlled sales of savings-type products.

■ Segment profit: Increased because of factors including improvement in both positive spread for Dai-ichi Life and GMMB balance for DFL.

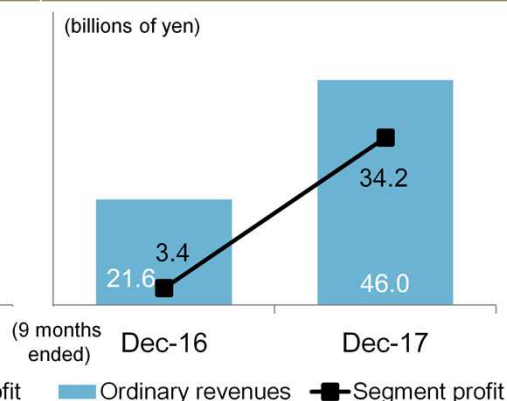
## Overseas Insurance Business



■ Ordinary revenues: The increase in gains on investments in separate accounts at Protective Life was offset by provision of policy reserve, leaving no impact on segment profit.

■ Segment profit: Positive impact of Protective Life's capital gains related to modified co-insurance contracts in the previous period was lower for this period.

## Other Business



■ Both ordinary revenues and segment profit significantly increased mainly because Dai-ichi Life Holdings, Inc. received dividends from its subsidiaries.

## Reference – Group Fundamental Profit

(billions of yen)

	Fiscal year ended Mar-17	Fiscal Year ending Mar-18		Change
		9 months ended Dec-16	9 months ended Dec-17	
Dai-ichi Life Group <sup>(1)</sup>	528.6	369.7	449.6	+79.8
Domestic Life Insurance	443.0	313.1	379.3	+66.2
Dai-ichi Life	391.6	273.3	312.9	+39.5
Dai-ichi Frontier Life	57.2	44.0	72.2	+28.1
Overseas Life Insurance	84.1	57.4	67.6	+10.2
Protective	58.6	38.9	47.7	+8.7
TAL	22.1	16.1	17.7	+1.6
Asset Management	8.8	6.1	5.8	(0.3)
Consolidation adjustment and others	(7.3)	(6.9)	(3.1)	+3.7

The formula to describe details of current income (fundamental profit) will be based on new format removing two line items listed below to include in capital gains and losses starting in fiscal year ending March 2019.

- Foreign exchange gains (losses) ....adjustment 1
- Market value adjustment for single premium annuities.... adjustment 2

The impact of the change in format for the Dai-ichi Life Group, Dai-ichi Life and Dai-ichi Frontier Life was as follows.

Dai-ichi Life Group <sup>(1)</sup> (billions of yen)

		Fiscal year ended Mar-17		9 months ended Dec-16	
Previous format		558.4		384.0	
adjustment 1		(0.1)		(0.2)	
adjustment 2		(29.6)		(17.9)	
New format		528.6		369.7	

Dai-ichi Life (billions of yen)

Previous format		392.1	273.8
adjustment 1		(0.1)	(0.2)
adjustment 2		(0.3)	(0.3)
New format		391.6	273.3

Dai-ichi Frontier Life (billions of yen)

Darden's Former Life		(billions of yen)
Previous format	86.5	61.7
adjustment 1	—	—
adjustment 2	(29.2)	(17.6)
New format	57.2	44.0

(1) As from fiscal year ended March 2017, the figures represent the 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 impact of this modification for the nine months ended December 2016 was 3.9 billion yen.

# Reference – Consolidated Solvency Margin Ratio of Dai-ichi Life Holdings

(billions of yen)

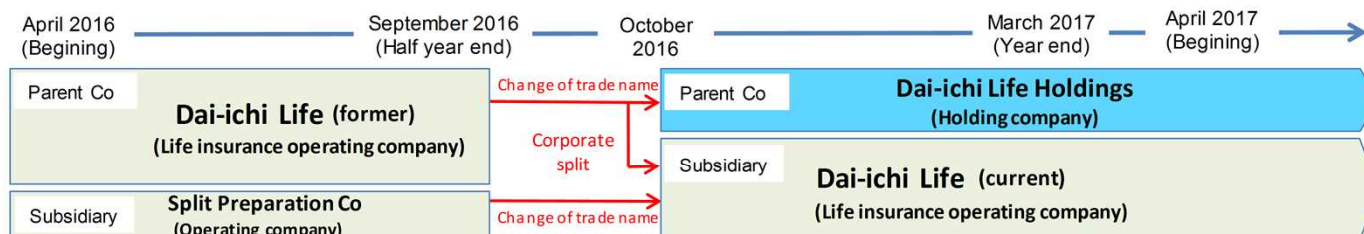
	As of Mar-17	As of Dec-17	Change
Total solvency margin (A)	6,374.0	7,794.0	+1,420.0
Common stock, etc. <sup>(1)</sup>	909.6	1,123.2	+213.5
Reserve for price fluctuations	174.6	189.7	+15.0
Contingency reserve	709.5	721.4	+11.9
General reserve for possible loan losses	0.7	0.5	(0.1)
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax) ) × 90% <sup>(2)</sup>	2,362.5	3,260.0	+897.5
Net unrealized gains (losses) on real estate × 85% <sup>(2)</sup>	113.8	145.3	+31.4
Sum of unrecognized actuarial differences and unrecognized past service cost	(27.3)	(25.1)	+2.2
Policy reserves in excess of surrender values	2,226.9	2,307.5	+80.6
Qualifying subordinated debt	759.2	759.2	—
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(708.4)	(609.7)	+98.7
Excluded items	(171.8)	(153.7)	+18.1
Others	24.4	75.3	+50.8
Total risk (B) $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$	1,701.4	1,875.4	+173.9
Insurance risk R <sub>1</sub>	122.0	119.4	(2.5)
General insurance risk R <sub>5</sub>	4.9	4.7	(0.1)
Catastrophe risk R <sub>6</sub>	2.0	2.1	+0.1
3rd sector insurance risk R <sub>8</sub>	192.0	199.6	+7.6
Small amount and short-term insurance risk R <sub>9</sub>	—	—	—
Assumed investment yield risk R <sub>2</sub>	255.0	255.2	+0.1
Guaranteed minimum benefit risk R <sub>7</sub> <sup>(3)</sup>	84.4	84.4	(0.0)
Investment risk R <sub>3</sub>	1,290.9	1,462.9	+172.0
Business risk R <sub>4</sub>	39.0	42.5	+3.5
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	749.2%	831.1%	+81.9%

(1) Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

(2) Multiplied by 100% if losses.

(3) Calculated by standard method.

- 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 its 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



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