

Financial Analyst Meeting for the Six Months Ended September 2018

November 22, 2018

Dai-ichi Life Holdings, Inc.



Dai-ichi Life
Holdings

Dai-ichi Life Group Medium-term Management Plan

CONNECT 2020

Update



Dai-ichi Life
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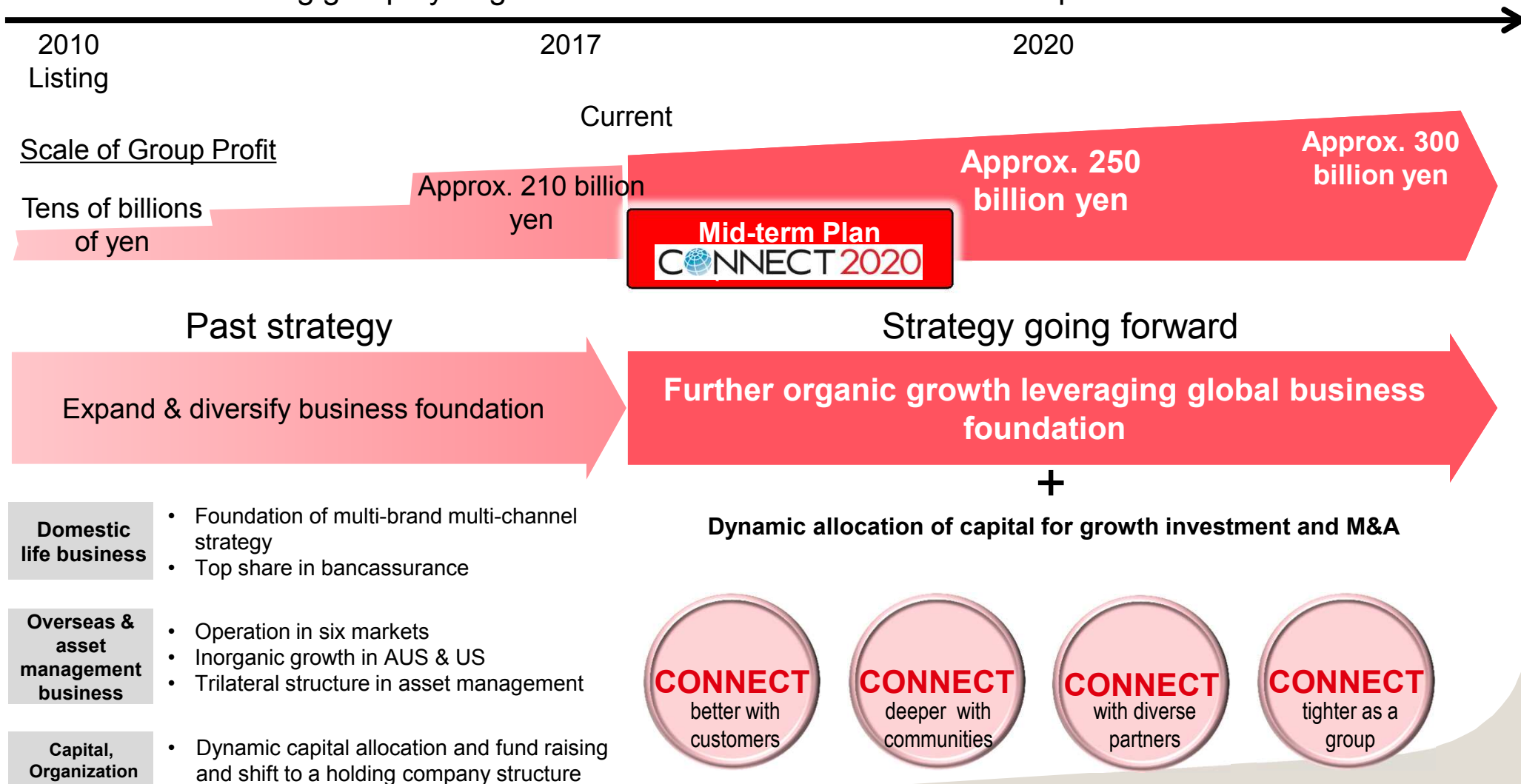
- Strategies under “CONNECT 2020” Medium Term Management Plan
- Progress during the first six months to September
 - Group Management Objectives and Group Mid- to Long-term Vision both progressed in line with expectations
 - Successful Multi-brand, multi-channel strategy proving
- Maintaining sustainable growth in Group Adjusted Profit, shareholder payout in line with growth

CONNECT 2020 : Stronger Growth in Each Business Leveraging Group Strengths



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- Based on the business foundation we have built so far, the Group aims for further growth in each business utilizing group synergies and alliances with diverse business partners



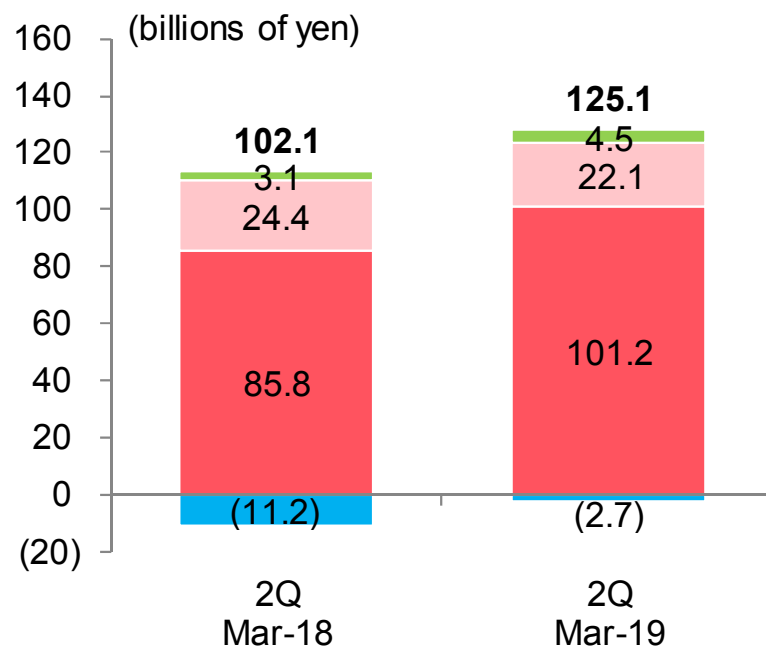
Management Objectives: Progress in the First Six Months



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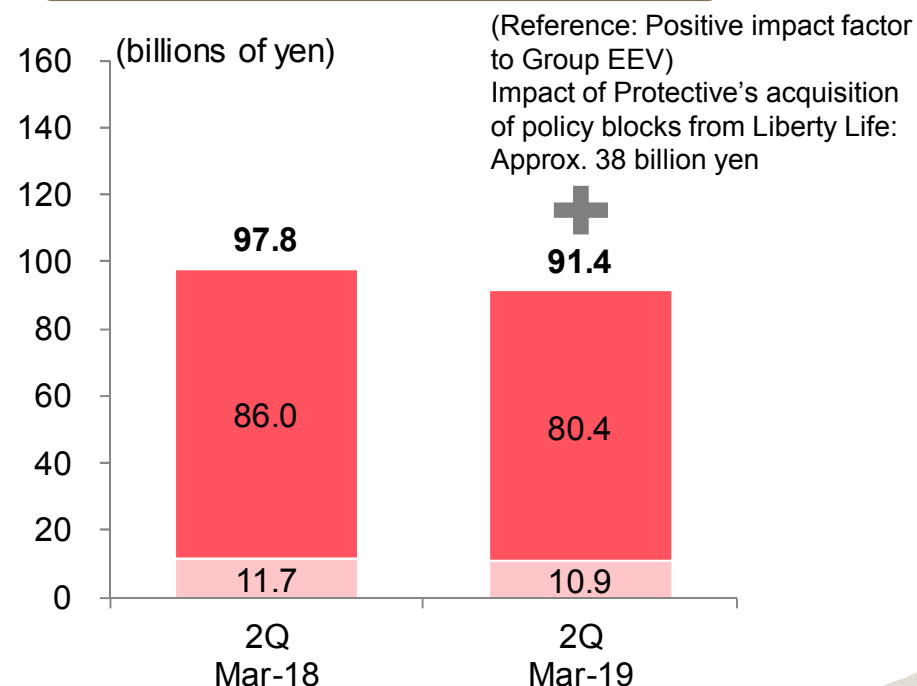
- Group adjusted profit and value of new business in line with expectation
- Dai-ichi Life's value of new business (VoNB) was down in the first half because the majority of sales were from contract renewals by existing customers. Sales activities towards new customers will be enhanced in the second half. Group EEV increased due to the impact from acquisitions in the U.S., in addition to VoNB.

Group Adjusted Profit



■ Domestic Life ■ Overseas Life
■ Asset Management ■ Others

Value of New Business & other



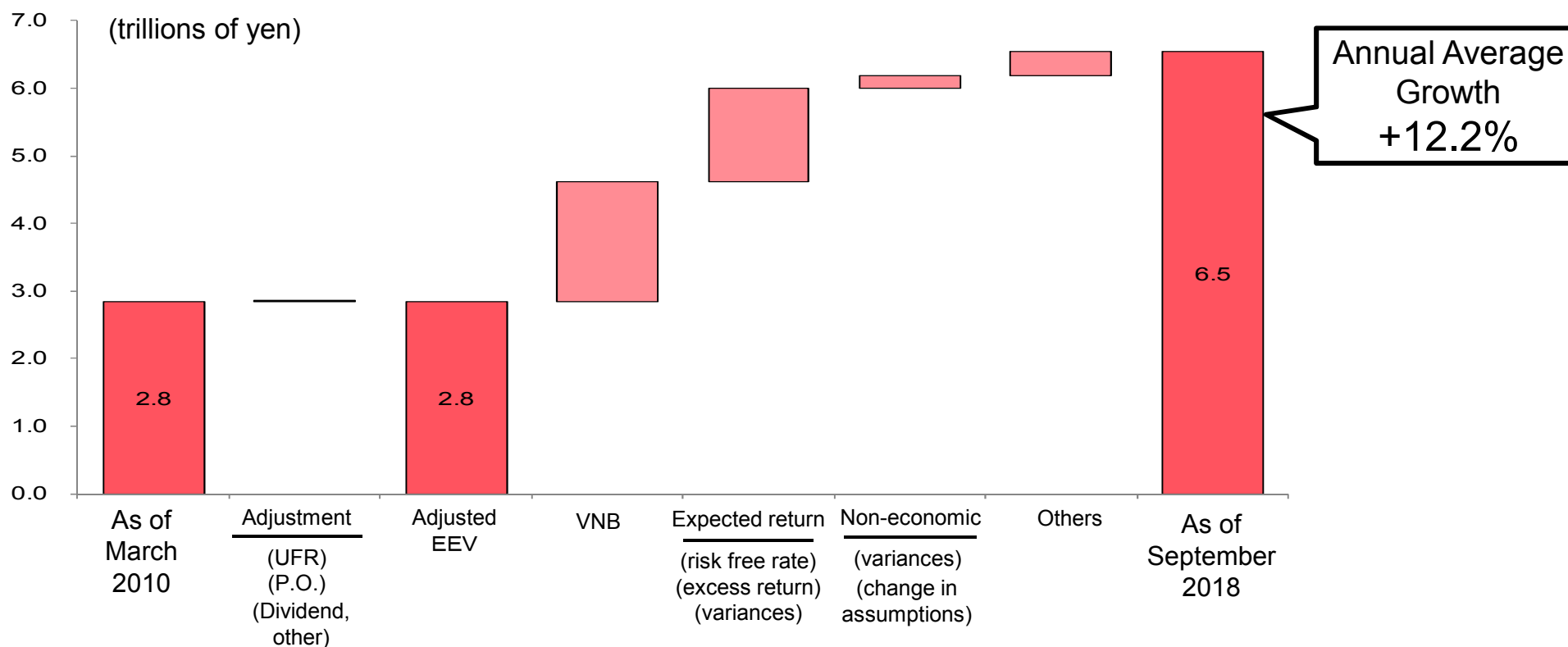
■ Domestic Life ■ Overseas Life



Mid- to long-term Vision: Group RoEV

- The Group targets over 8% average EV growth (RoEV) mid- to long-term; achieved 12.2% annual average growth since listing

Analysis of Changes to Group EEV



(Notes)

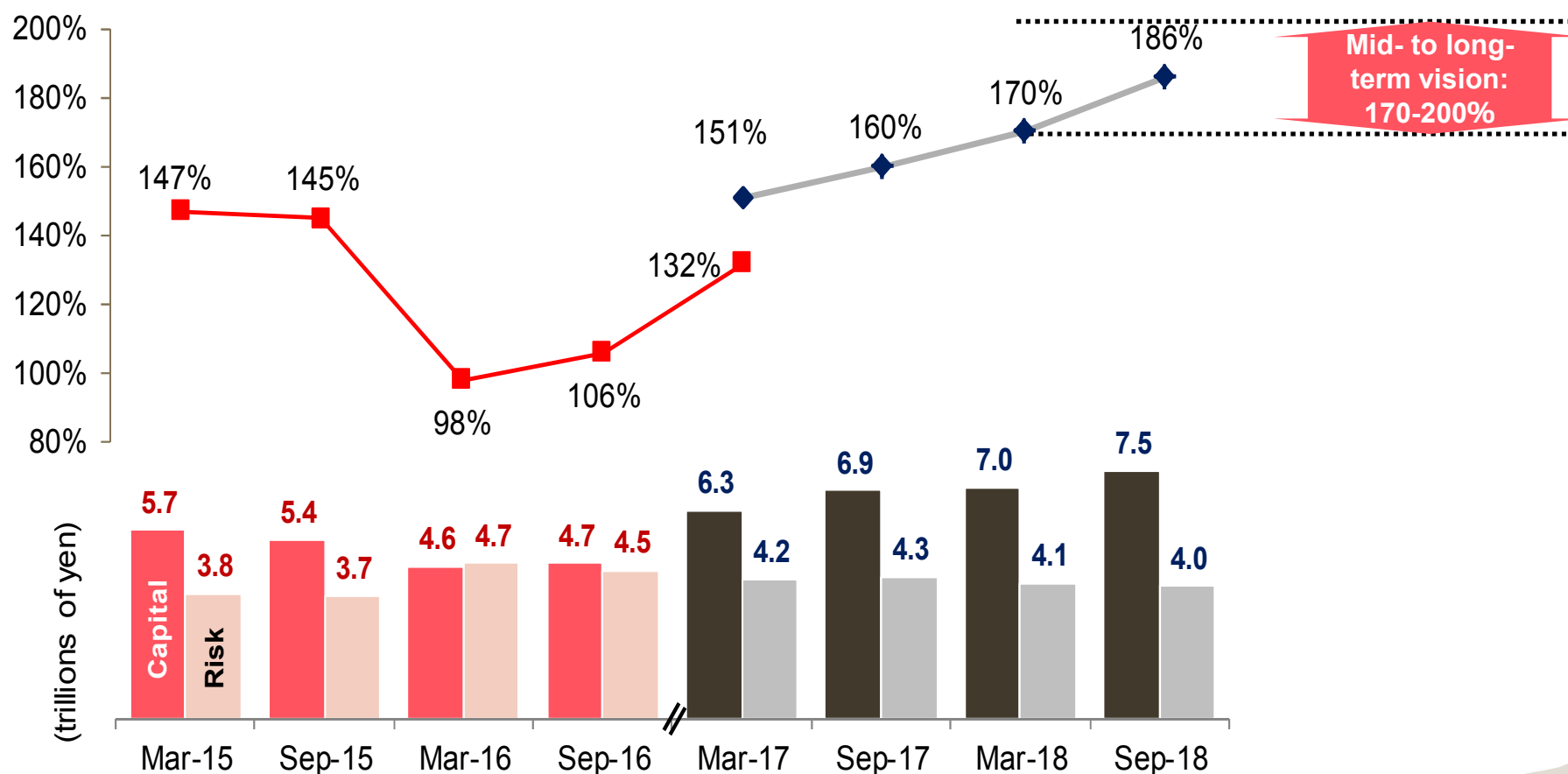
- The chart shows simple sum of the past movement analysis of Group Embedded Value.
- Includes, among other adjustments listed above, adjustment to opening EEV and closing EEV.
- Value of new business includes value added through acquisitions by Protective Life.
- Expected return includes expected existing business contribution (market-consistent approach, and top-down approach) and economic variances.
- Non-economic assumptions are the sum of changes in non-economic experience variances and assumptions.
- Others include impact of transition to a holding company structure, changes in value on non-covered business.



Mid- to long-term Vision: Group Economic Solvency Ratio

- Aim for ESR of 170-200% in the mid- to long-term; 186% as of September 2018
- Value of new business, risk control and market factor contributed to the improvement

Trends in Economic Solvency Ratio (ESR)



(Note) Based on economic value basis, using Dai-ichi Life's internal capital model with a holding period of one year. Group basis, after-tax basis, confidence interval of 99.5%. For the calculation of capital/risk amounts, we used the ultimate forward rate as a premise for the last liquid data point.

What We Have CONNECTed During the First Six Months



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■ Initiatives under “CONNECT” concept progressed according to plan

Domestic

- **Launched new product suite “JUST”**
 - Good sales of more than 0.5 million⁽¹⁾, focus on new customers in the second half
- **Acquired independent agent (Alpha Consulting)**
 - Acquisition of access to new customers through agents and know-how of managing agents

Overseas

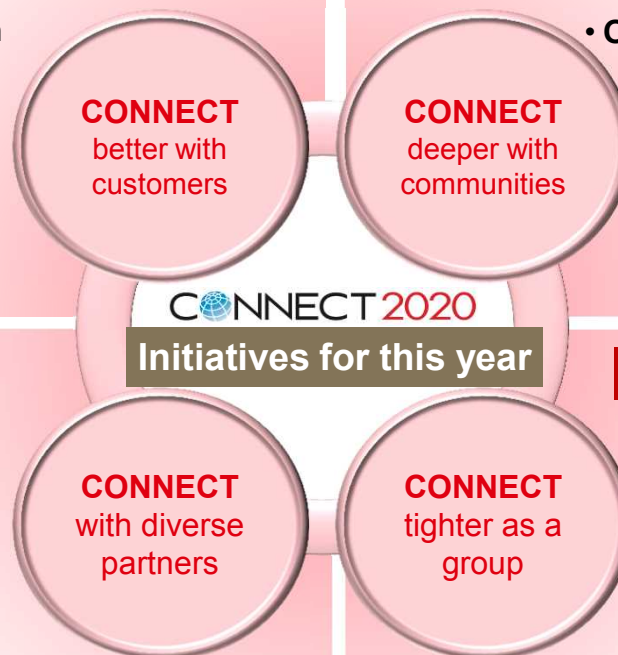
- **Protective acquired policy blocks from Liberty Life, TAL acquired Suncorp Life**
 - Acquired access to eight million new customers in Suncorp’s general insurance channel

Domestic

- **Business alliance with Rakuten Life**
 - Gained access to retailers at Rakuten EC
- **Founded Dai-ichi Life Innovation Lab, alliance with Blue Lab and WiL**
 - Business foundation for alliance with start-ups in Japan and U.S.

Domestic

- **Strategic alliance with local governments**
 - (22 prefectures up from 18)
 - Enhanced contribution to local communities
- **Nursing care in managed facilities**
- **Offering use of a playground to nursery schools**
 - Opened to 50 nursery schools in Setagaya Ward



Domestic

- **“Neo de Kigyo” sold by sales reps at DL**
- **DL increased sales of Frontier products**
 - Combined new business ANP of three brands increased by 43.8% YoY

Overseas

- **Janus Henderson manages TAL’s general account funds**

Group

- **Building platform for Group synergies**
 - Global Leaders Committee, Group Initiative Taskforce

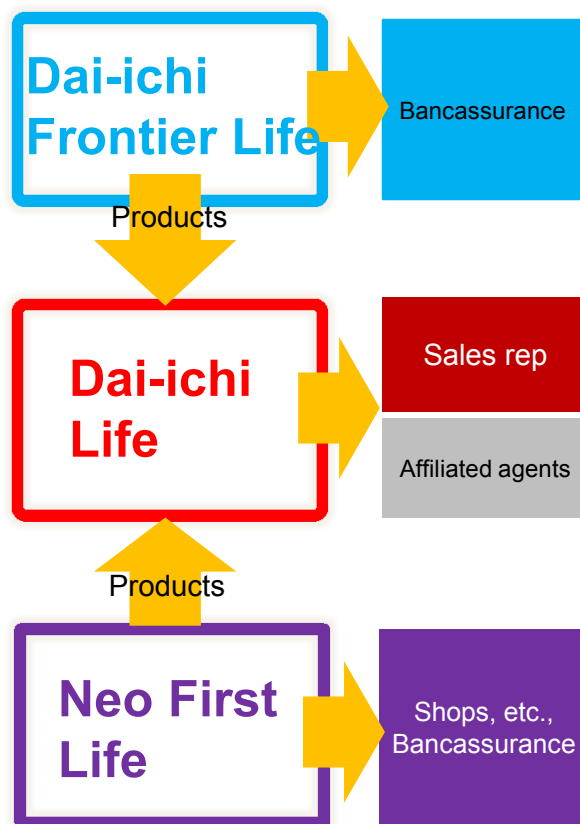
(1) As of October 2018



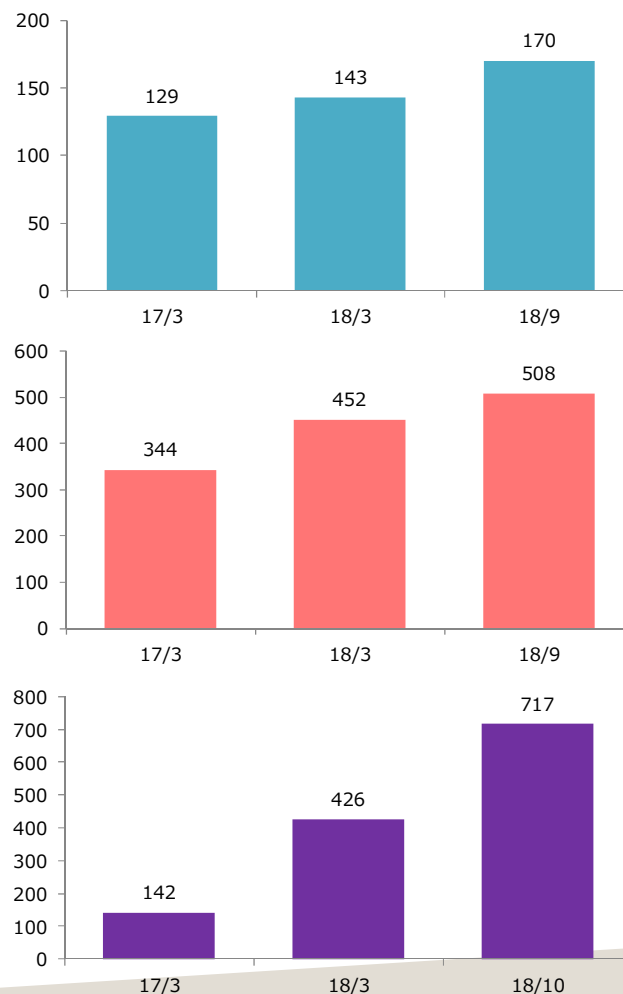
Multi-channel Strategy through CONNECT

- Three brands continue to offer competitive products and expanded sales channel

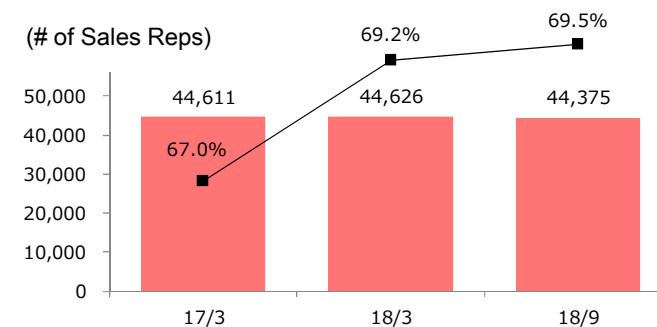
Competitive products & services by each brand



Number of agents affiliated with brands



Number of sales rep. and % of Chief Designer

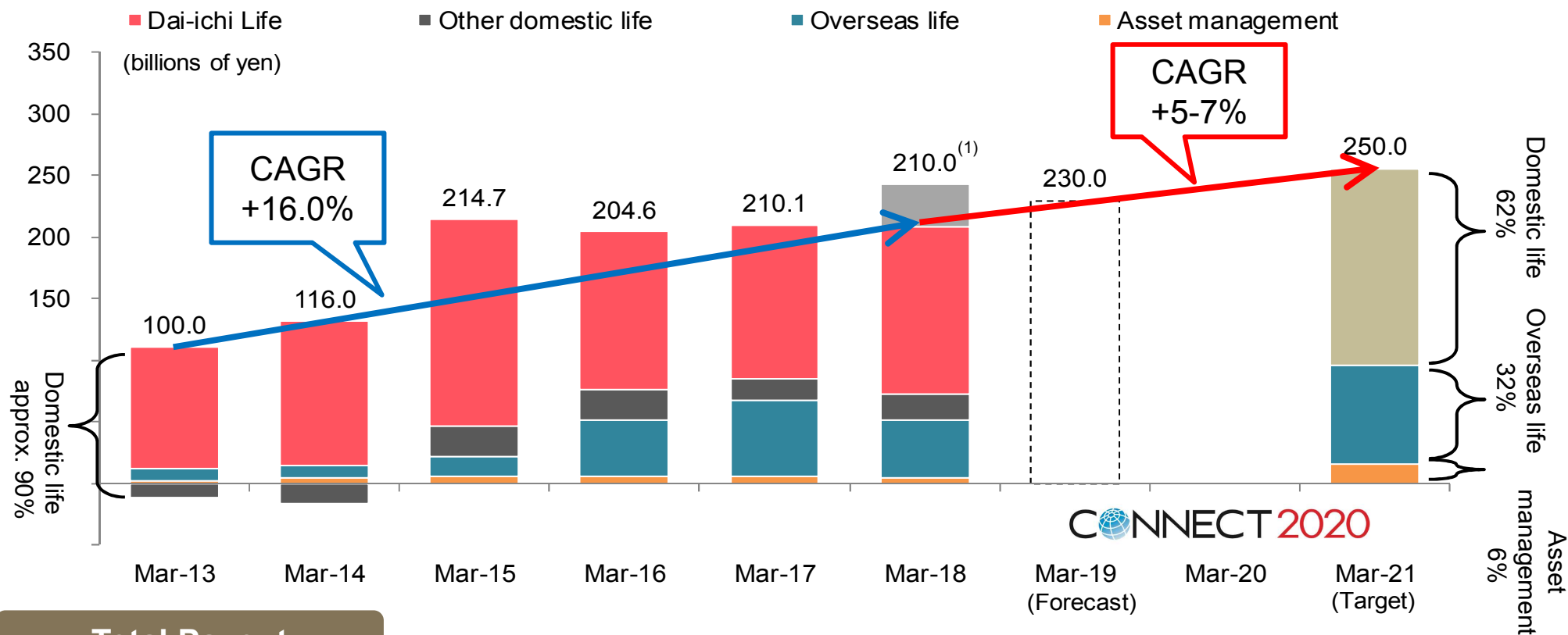


(Note) Number of affiliated agents for Dai-ichi Life exclude 2,743 agents (as of September 30, 2018) of Sampo Japan Nipponkoa.

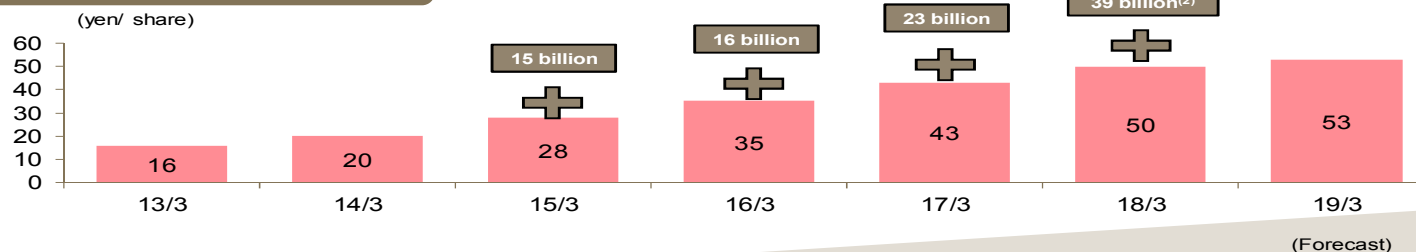


Group Adjusted Profit and Total Payout

Group Adjusted Profit



Total Payout



(2) The 39.0 billion yen stock repurchase for the fiscal year ended March 2018 represents maximum amount resolved by the Board of Directors on May 15, 2018.

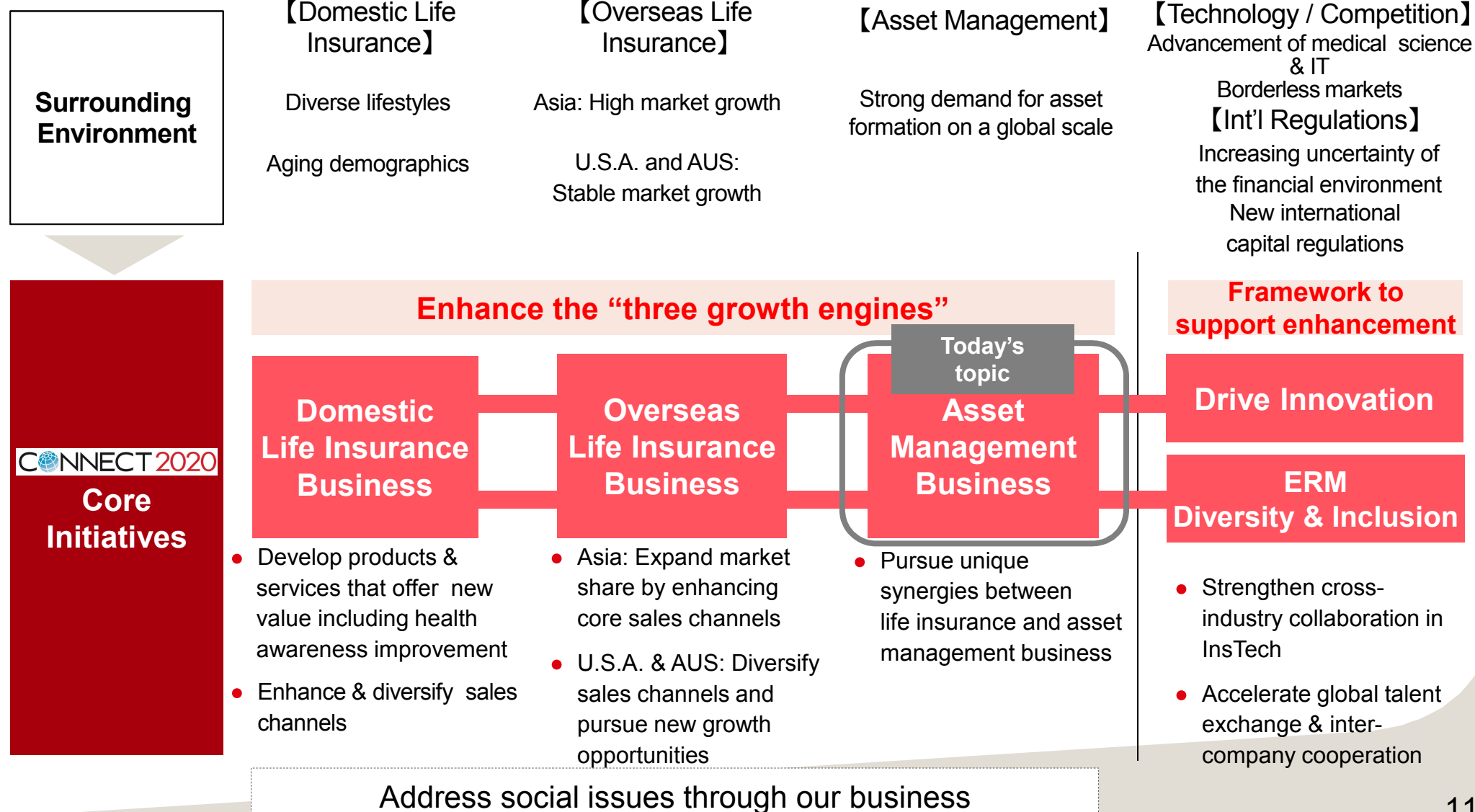
(1) Trends in Group Adjusted Profits. Profit for the fiscal year ended March 2018 was 243.2 billion yen, and 210.0 billion yen for the year represents profit before one-time items such as gain on maturity of mutual funds, and comparable basis for the current medium term management plan

Core Initiatives for Growth



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- Enhance the “three growth engines” against changes in surrounding environment





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Dai-ichi Life's Investment Strategy

- Investment Strategy in a Low Interest Rate Environment
- Responding to Rising Interest Rates

November 22, 2018

The Dai-ichi Life Insurance Company, Limited

By your side, for life

DAI-ICHI LIFE

 Dai-ichi Life Group

Topics

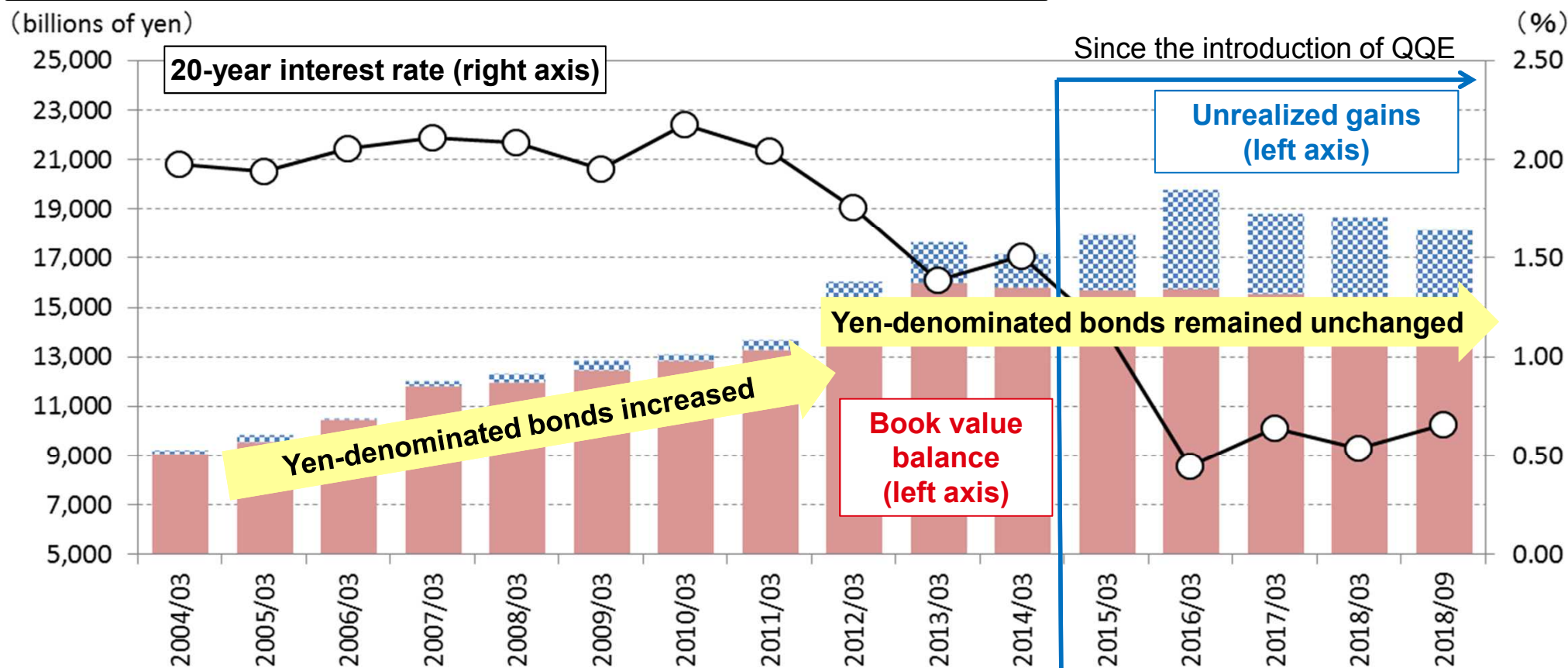
- ✓ Overview of our investment strategy and understanding of the current financial market environment
- ✓ Investment strategy in a low domestic interest rate environment
- ✓ Responding to rising interest rates

Overview of Our Investment Strategy and Understanding of the Current Financial Market Environment

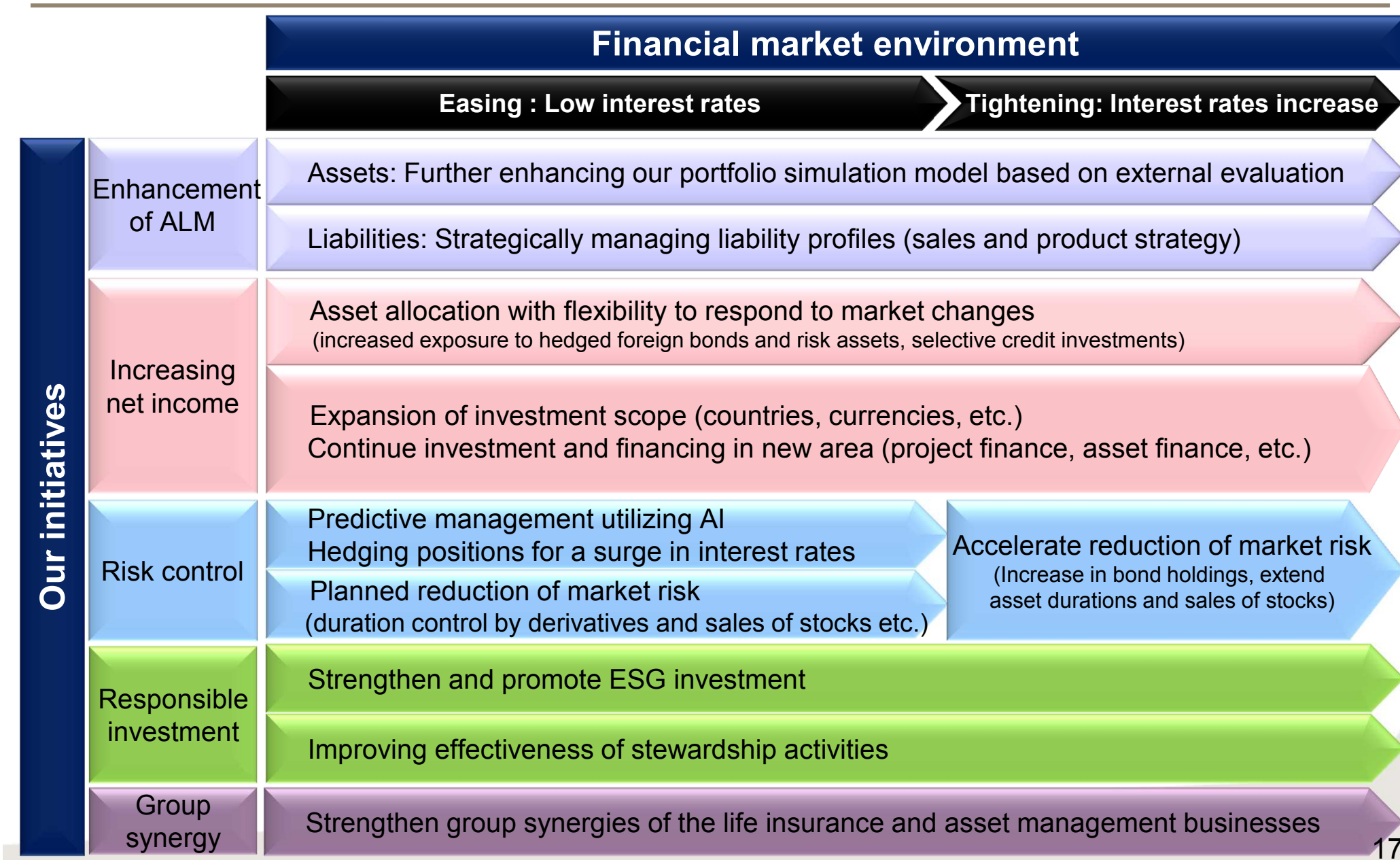
Investment Environment

- Since 2003, we have been promoting and strengthening ALM by increasing the amount outstanding of yen-denominated bonds.
- Since the introduction of quantitative-qualitative easing (QQE), investment in yen-denominated bonds has been limited due to low interest rates. On the other hand, unrealized gains on yen-denominated bonds have been increasing.

20-year JGB yield and Yen-denominated bonds outstanding



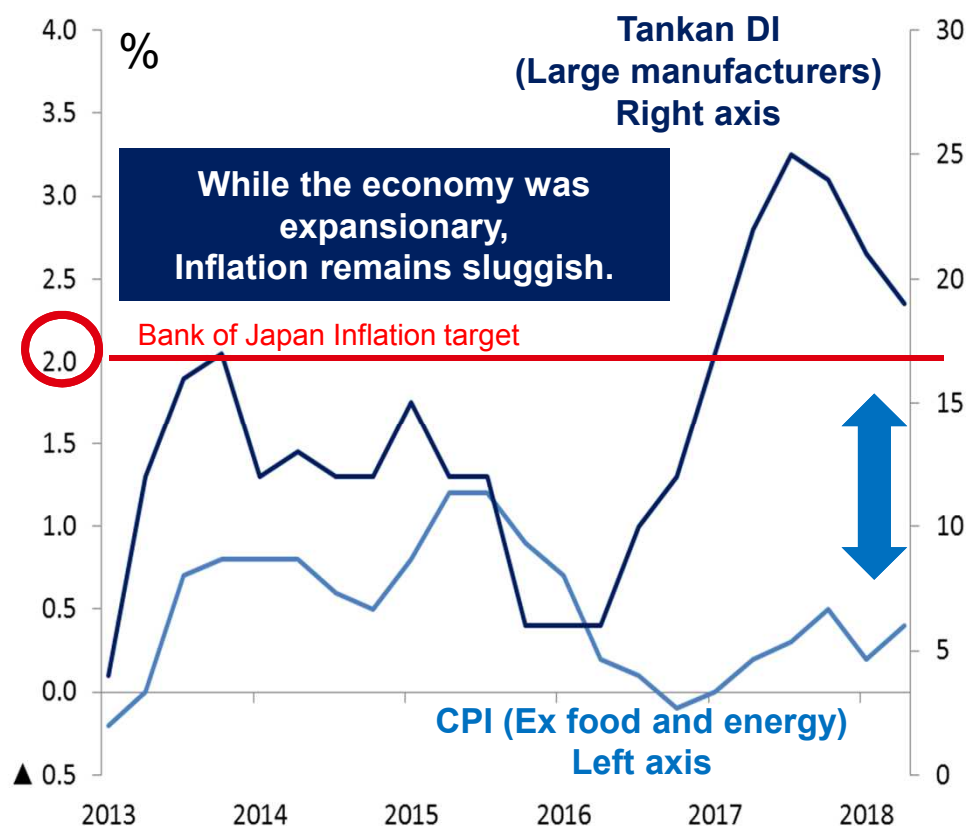
Overview of Our Mid-to-long Term Investment Strategy



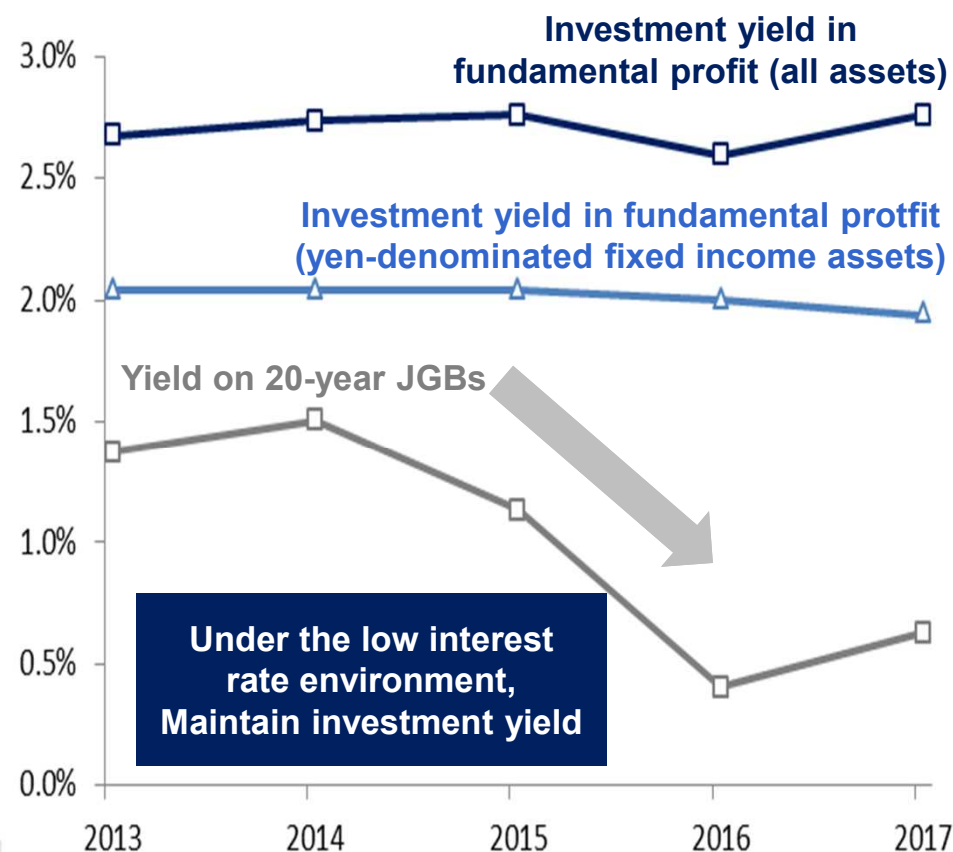
Financial and Economic Environment and Asset Performance

- Business conditions have been improving due to recovery of the global economy; inflation remains low
- We have maintained the investment yield of yen-denominated fixed income assets and total assets in a low interest rate environment

Tankan DI and Inflation Rate (Japan)



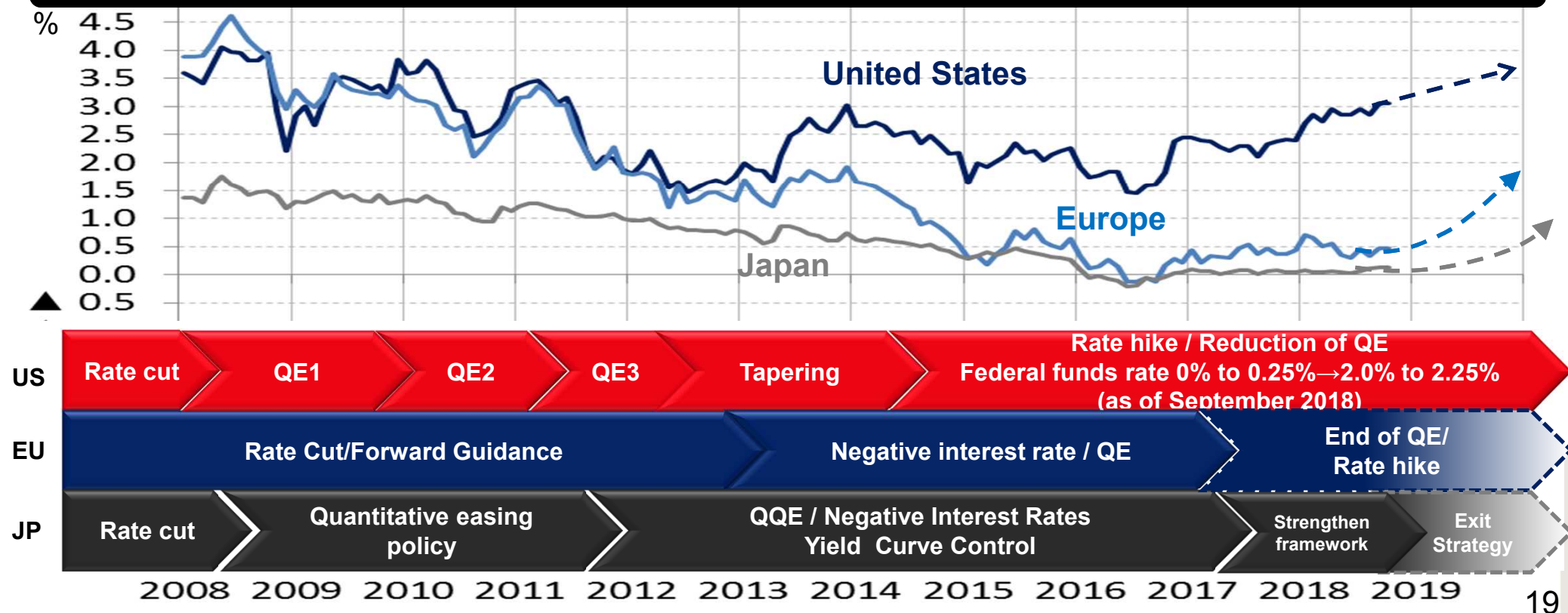
Trends in investment yield based on fundamental profit



Our View of the Future Investment Environment

- A low interest rate environment has persisted over a long time due to the unconventional monetary easing by central banks in Japan, the United States, and Europe.
- Global central banks, starting with the United States, have moved away from the monetary easing policy and have begun the process of normalization.
- We are concerned about increasing market volatility to the extent normalization by Europe and Japan lags behind the U.S.

10-year JGB yields and changes in monetary policy in The U.S., Europe and Japan



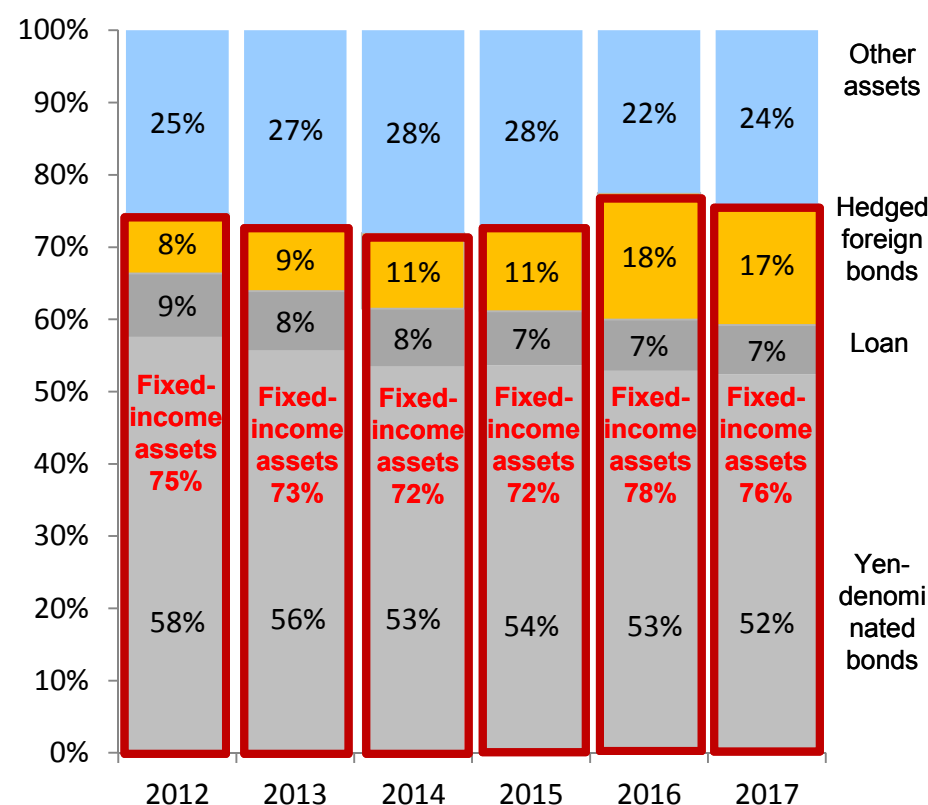
Investment Strategy in a Low Domestic Interest Rate Environment

Investment Strategy – 1:

Enhancing Profitability and Diversification by Relative Value Strategy in Global Markets

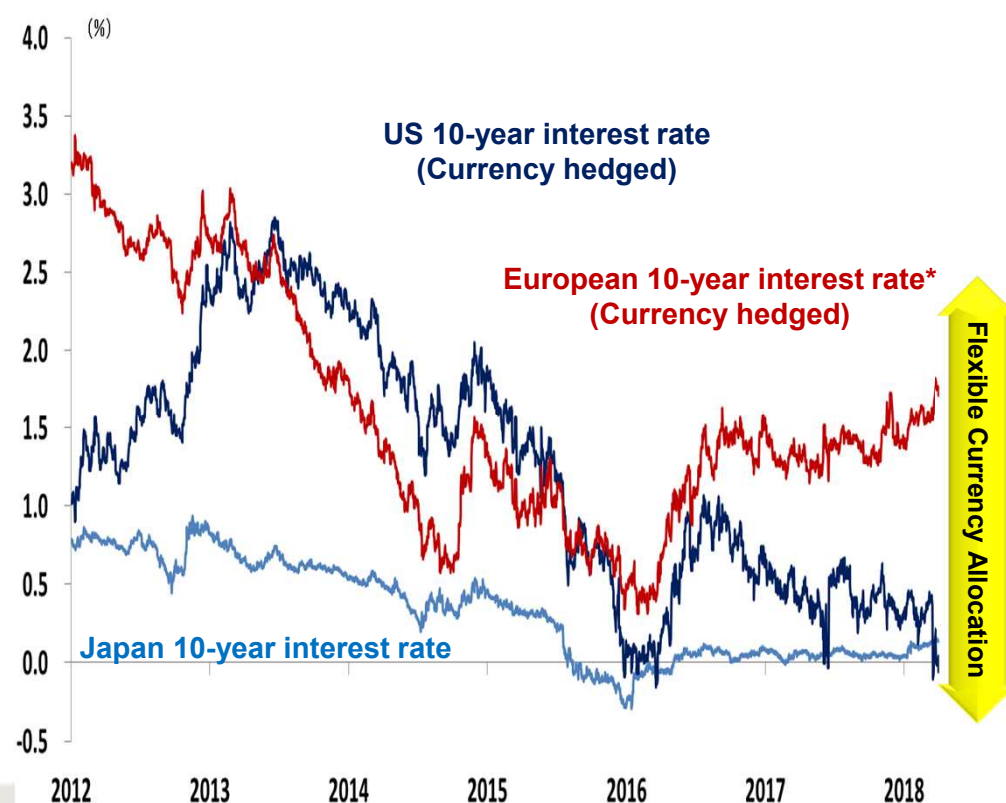
- We shifted the money from yen-denominated fixed income assets to currency hedged foreign bonds that have relatively higher yields given the low interest rate environment in Japan
- From the perspective of "enhancing profitability" and "risk diversification," we have increased the number of countries and currencies in which we invest (40 countries and 25 currencies), and changed our currency allocation for foreign assets to respond to rising hedge costs in USD-denominated assets

Trends in the weight of general account assets



(Note) Weighting is based on internal fund allocation (book value basis)

Rate differentials between Japan, U.S. and Europe

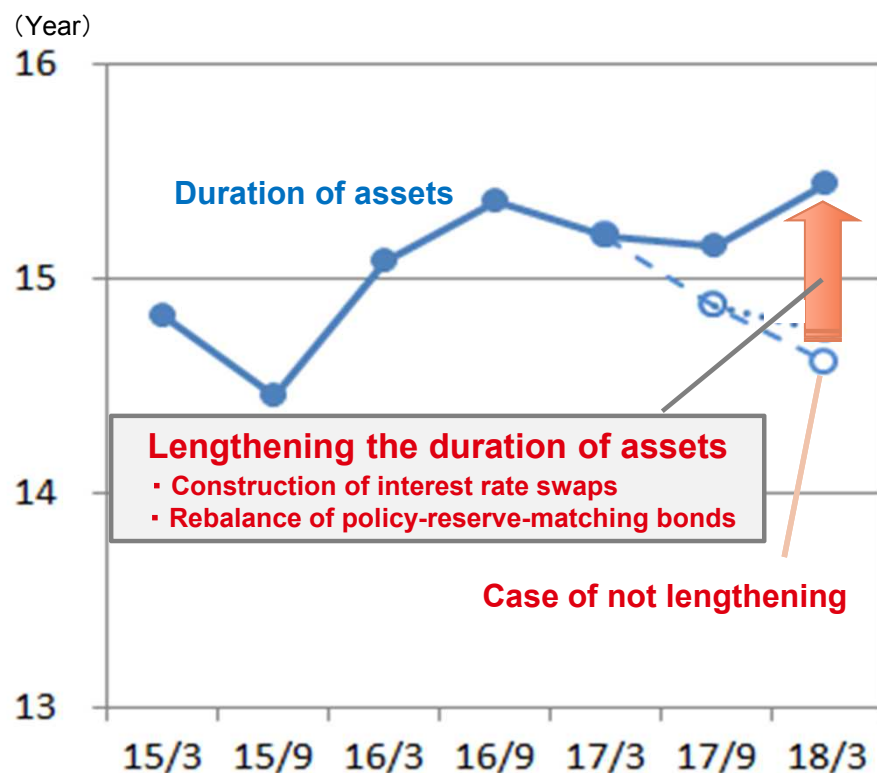


* Ten-year European interest rates are simple averages for Germany, France, and Italy.

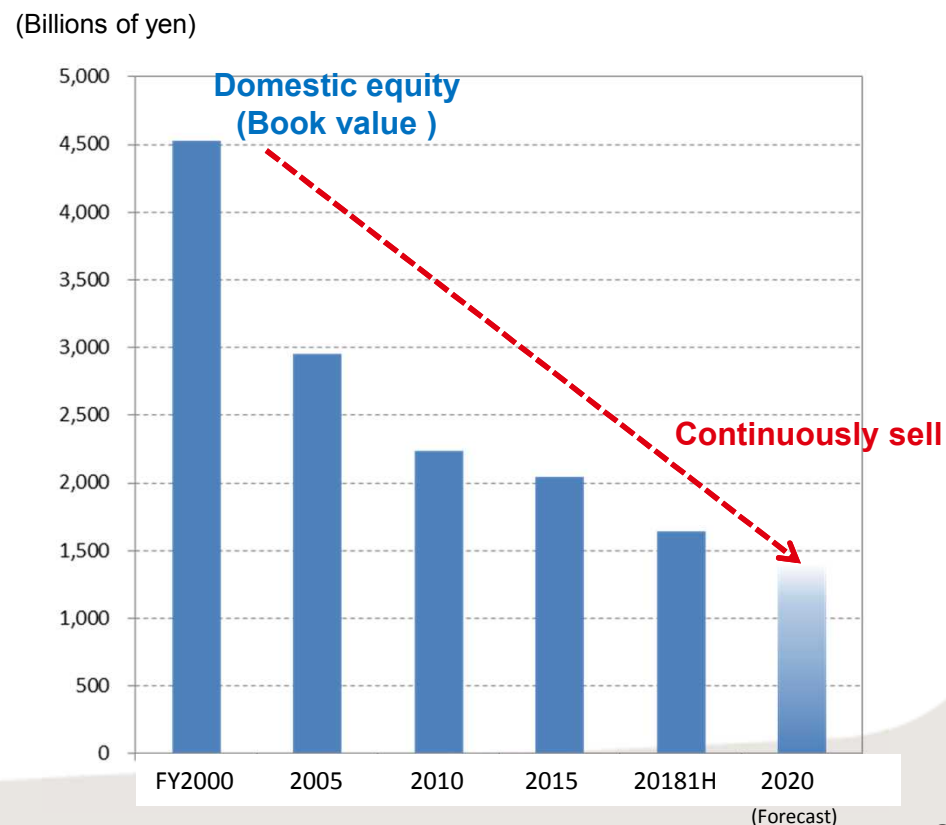
Investment Strategy – 2: Planned Reduction of Market Risk

- Controlling duration by constructing interest rate swaps (700 billion yen, as of the end of FY2017) and rebalance of bonds. In FY2017, the duration of fixed income assets (denominated in yen) was extended through the combination of the two methods and interest rate risk was systematically reduced.
- Reduction of domestic equities to decrease market risk

Reducing interest rate risk through duration control



Reduction of domestic equity



(Note) The balance includes subsidiaries and affiliates' equities, unlisted domestic equities

Investment Strategy – 3: Risk Control through Use of Derivatives

- Flexible risk control is implemented for risk assets and fixed-income assets through the use of hedge positions*, while taking into account market outlook and risk tolerance.
- At present (as of the end of September), we have a hedge position for downside risk of ¥610 billion in risk assets and ¥1.3 trillion in fixed income assets, to prepare for sudden changes in the market.
- As for tail hedging of risk assets, we are assessing various financial methods.

Hedging position for fixed-income assets*

Assets		Amount outstanding (As of Sep. 30, 2018)	Hedging position
Fixed-income assets	Yen-denominated bond (Hedging the risk of domestic rate increase)	¥16,352.9 bn	(¥1,110.0 bn)
	Hedged foreign bond (Hedging the risk of global rates increase)	¥5,862.7 bn	(¥200.0 bn)

Hedging position for risk assets*

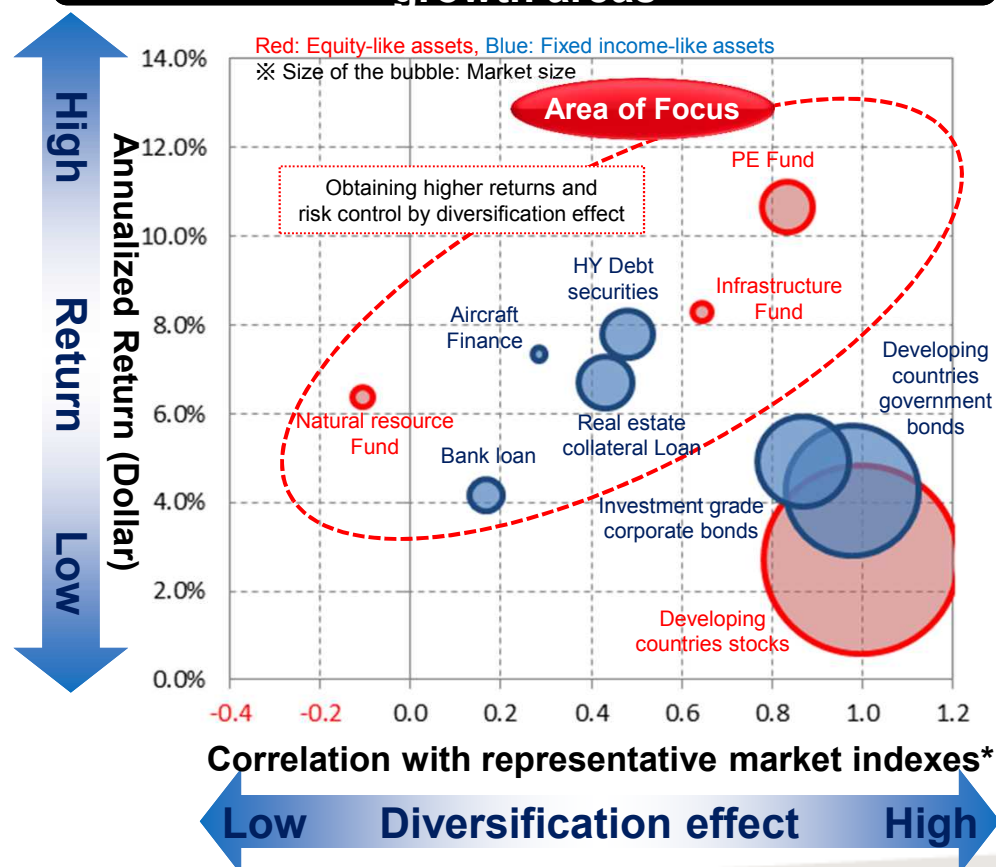
Assets		Amount outstanding (As of Sep. 30, 2018)	Hedging position
Risk assets	Domestic equity (Hedging downside risk of domestic equity)	¥1,725.1 bn	(¥150.0 bn)
	Foreign bond (Hedging the risk of yen appreciation)	¥2,346.3 bn	(¥400.0 bn)
	Foreign equity (Hedging downside risk of foreign equity)	¥571.7 bn	(¥60.0 bn)

* Position to reduce future price fluctuation risk of assets, such as selling futures and buying put options

Investment strategy – 4: Enhancing Asset Diversification (Investment in Growth Fields)

- In addition to traditional assets such as developed country stocks/bonds and investment grade corporate bonds, we have been enhancing profitability by investments in emerging countries and private equity funds.
- From the same perspective, in recent years, we have actively expanded investment in the field of real assets such as infrastructure which has different risk characteristics.

Diversification effect from investments in growth areas



Major Initiatives in Growth areas

Promoting investments by broadening areas/projects

- **Diversifying Regions and Projects**
 - Project for Development of Hospital in Turkey (¥10 billion)
 - Concession Project on High-Speed Railway Lines in the UK (mezzanine, approx. ¥4.5 billion)
 - Desalination Project in Australia (approx. ¥4.4 billion)
 - Infrastructure debt fund centered on Europe (approx. ¥10 billion)
 - Fukuoka Airport Concession Project

Diversifying investments to enhance diversification

- **Promoting investment in real assets such as aircraft finance and real estate finance**
- **Promoting diversification of real estate investments (Commercial Facilities, Overseas Real Estate)**
 - Overseas real estate (FY2017, for the first time in 26 years) (Fund of Funds: ¥10 billion)
 - Supermarkets and other daily-life related commercial facilities

Sources: Prepared by FISCO from various materials. * Typical market indices: Equity is based on MSCI ACWI (excluding Japan), Bonds are based on Bloomberg Barclays Global Aggregate Bond Index (excluding JPY).

Investment Strategy – 5: Promotion of ESG Investment

- We have been actively promoting ESG investments, such as ESG funds and renewable energy investments. In 2015 we signed the PRI and began systematic ESG initiatives. In FY2017, in addition to establishing a framework for promotion of ESG, we expanded the scope of activities, including the commencement of impact investment.
⇒ Won award for 2017 Best Practices for the Principles for Financial Action for the 21st Century
- In FY2018, we will further deepen ESG integration and aggressively promote ESG themed investments including impact investments and regional revitalization.

Promotion of ESG investment

	2010	2013	2014	2015	2016	2017
Policy/ Organization				Signed PRI	Establishment of ESG investment policy	Responsible investment Meetings
ESG Theme type Investment		Investments and loans related to renewable energy power plants			Investments in theme bonds of multilateral development banks	
						Impact investments
ESG Integration	ESG Domestic Stock Fund					Embedding in research
						Negative Screening

Key initiatives for FY2018

1. Deepening ESG integration

















- Further upgrading ESG Research which was systemized in the previous fiscal year
- Consideration of engagement as a corporate bond investor

2. Aggressive promotion of ESG themed investment

Impact Investment(*)	Aim to earn investment income and apply it to Instech by supplying funds for innovation that contributes to solving social issues
Regional revitalization	As a universal owner with policyholders throughout Japan, aiming to earn investment income and improve the quality of life of policyholders by investing in regional revitalization

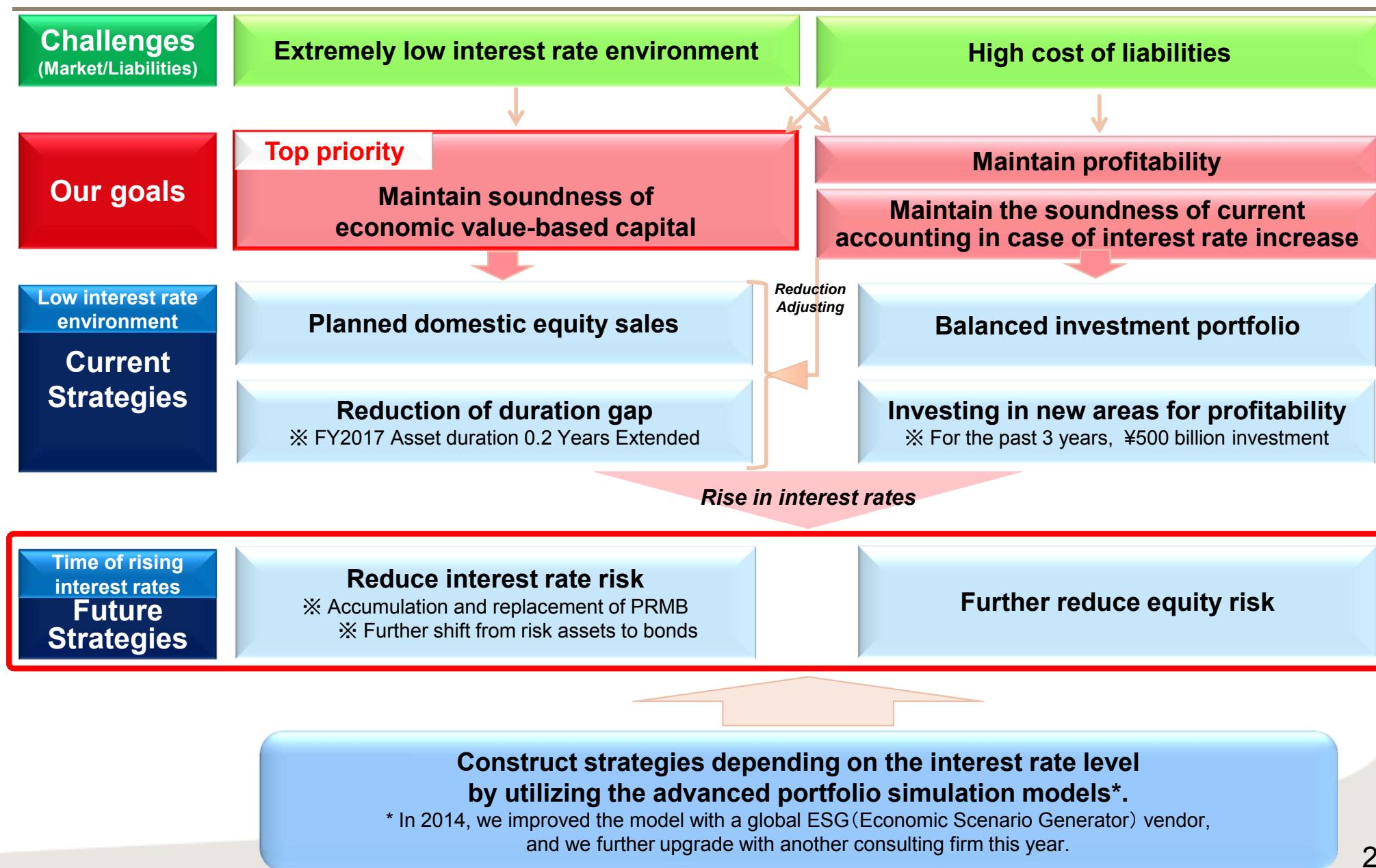
(*) Investment method which aimed at achieving both investment income and social impact creation

(Reference) Impact Investment Results

	Amount (Date)	Company profile	Societal impact
Gojo & Company, Inc.	¥400 million (2017/10)	Microfinance projects in developing countries 	Improving financial access in developing countries 
	¥1 billion (2017/10)	Research and production of new-generation protein materials (such as artificial spider silk) 	Reduction of environmental impact (reduction of greenhouse gas emissions, etc.) 
	¥200 million (2018/2)	R&D and provision of therapeutic apps for smoking cessation treatment 	Reducing the number of patients, extending healthy life expectancy, and reducing medical expenses 
	¥100 million (2018/4)	Financing for businesses in developing countries through a crowdfunding service 	Promotion of business activities and job creation in developing countries 
	¥100 million (2018/5)	Research and development of apps for treatment of insomnia by smartphone	Reducing the risk of adverse reactions and medical costs in the treatment of insomnia 
	¥300 million (2018/10)	Research and development of the world's first avatar robot that is closest to human hands 	Reducing the risk of accidents in dangerous environments 

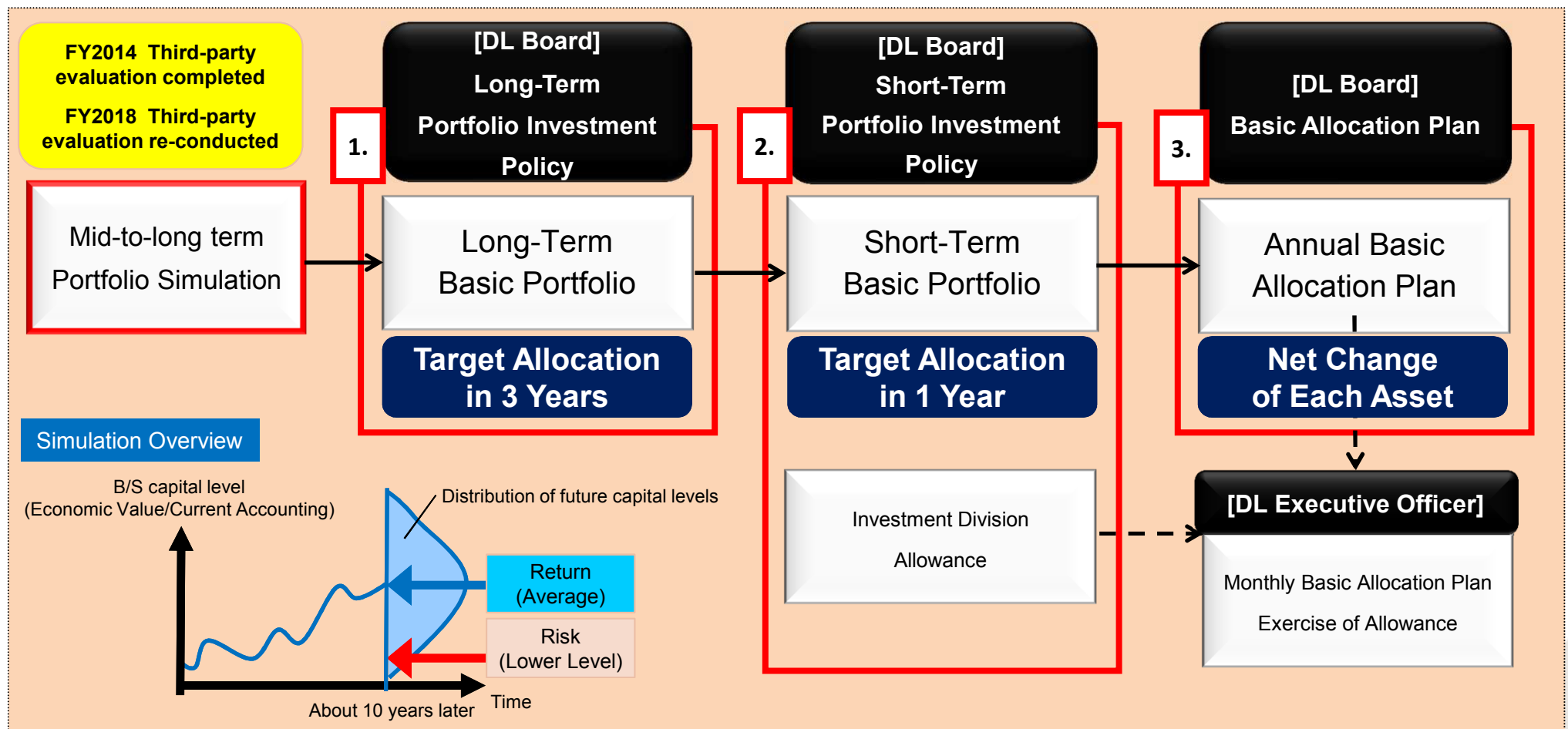
Responding to Rising Interest Rates

Overview of our Investment Strategy

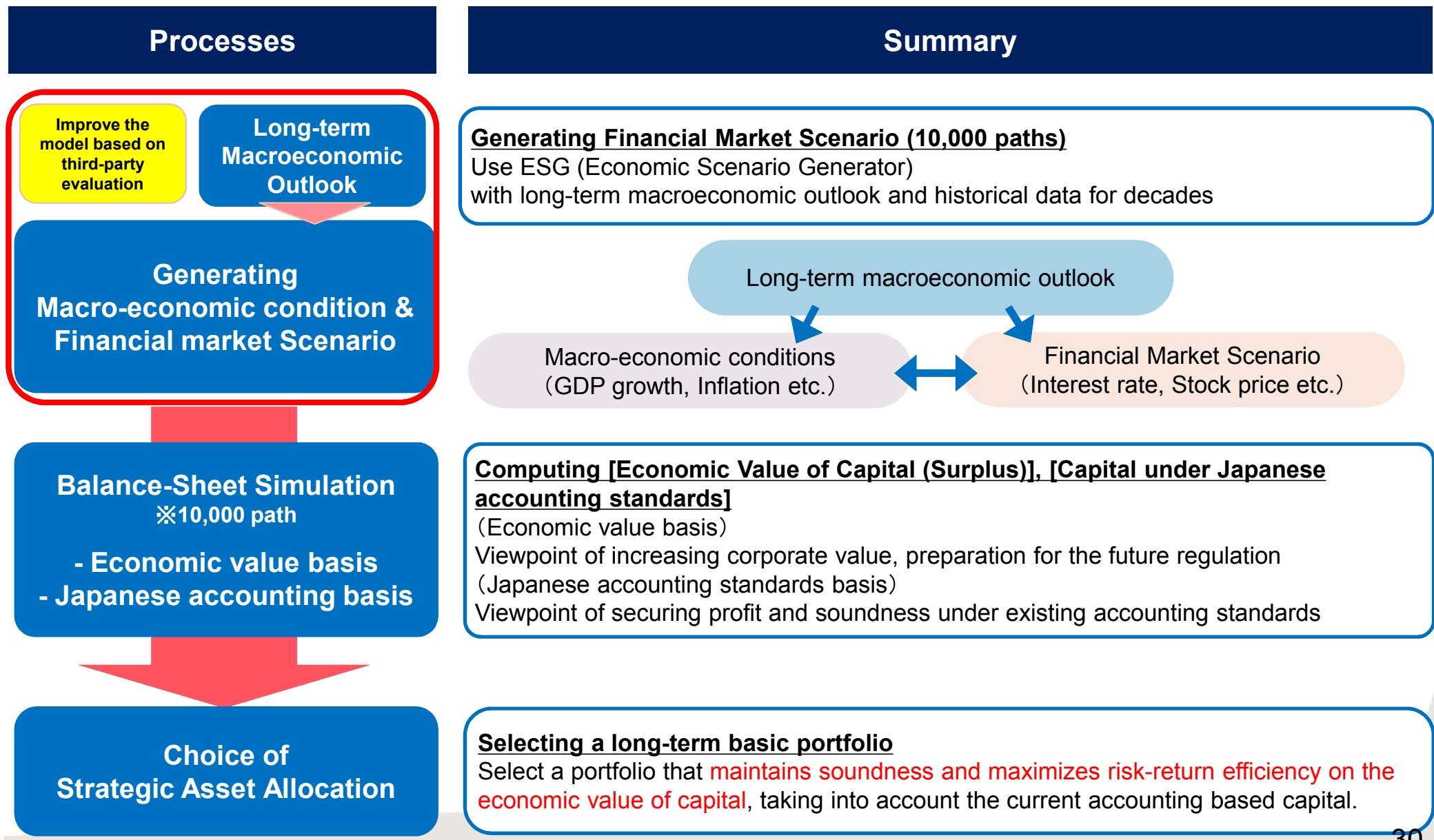


Overall Process of Investment Strategy Formulation

- Determine long-term and short-term basic portfolios and basic allocation plans (net change for each asset toward achieving short-term basic portfolio) based on mid-to-long term portfolio simulation.
- Portfolio is determined for each fund by maintaining soundness and maximizing risk-return efficiency on the economic value of capital, taking into account the current accounting based capital.



Overall Procedure for Our Strategic Asset Allocation Decision



ALM for Each Insurance Products

- Select an investment strategy appropriate to liability characteristics (Duration, Guaranteed rate, etc.) based on mid-to-long term portfolio simulation.
- Apply balanced investment for liabilities with long duration and high cost under the low interest rate environment.

Investment strategy depending on liability characteristics

Liability	Duration	Long	Short-Long	Short
	Guaranteed rate (dividend)	High (mainly with profit products)	Medium (without profit products)	Low (without profit products)
	Stability of CF	Low-Medium	Medium	High

Investment Strategy	Balanced Investment [※] Fixed Income + Risky Assets	Duration Matching Fixed Income	Cash Flow Matching Fixed Income matching liability CF
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Long-term Port	Fixed Income Bond • Loan • Hedged foreign bond etc.	78%	100%
	Risky Asset Equity • Unhedged foreign bond etc.	22% (including 5% domestic equity)	-

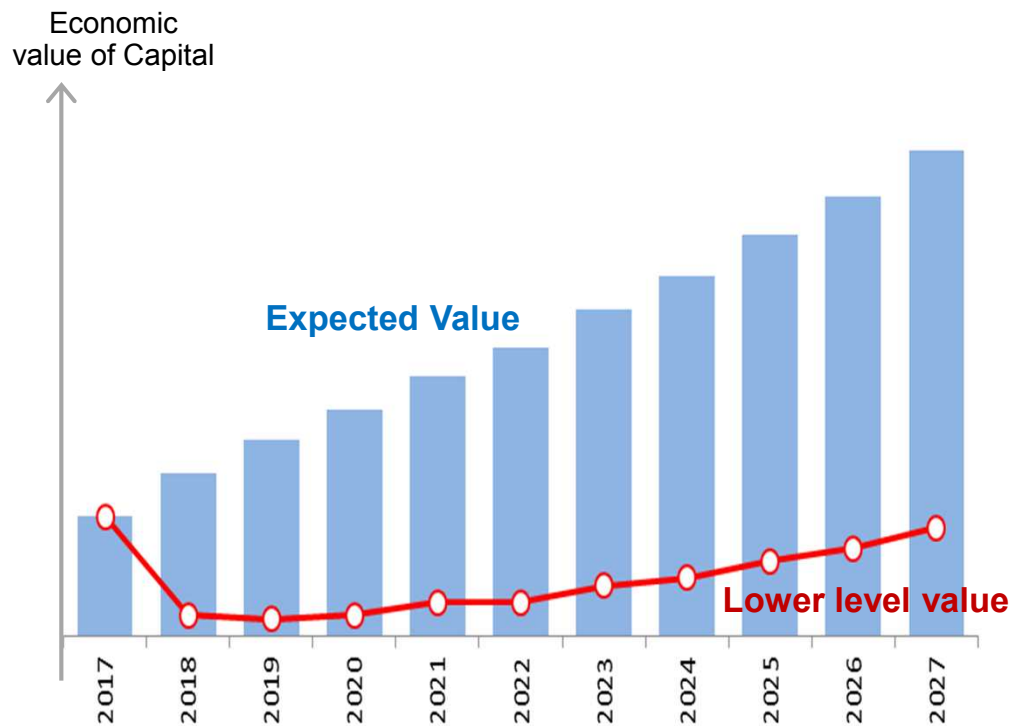
※ 87% of our policy reserves are included in balanced funds

※ Long-term basic port is a target market share (based on book value) in three years' time

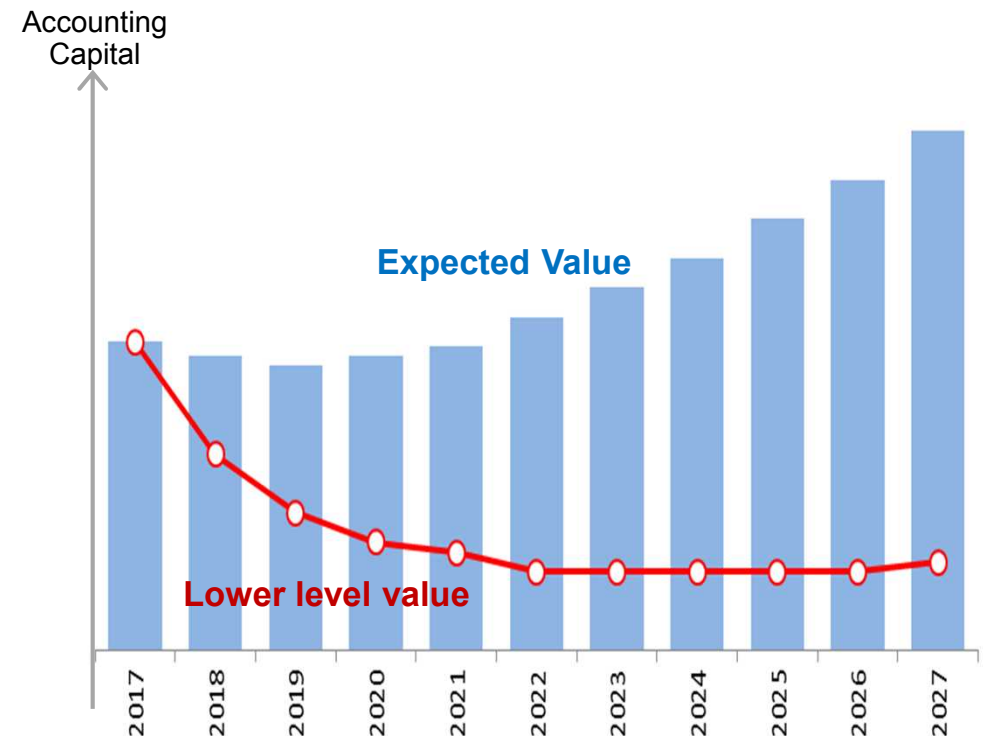
Overview of Simulation Results

- In a financial environment in which the 20-year interest rate is close to zero (risk scenario of economic value basis), the risk of decline in economic value of capital into negative values increases. Therefore, we have formulated an investment strategy aimed at improving soundness on current economic value basis.
- On the other hand, we develop an optimal portfolio that takes into account the risk of undercapitalization on a current accounting basis.

[Economic Value Basis] Capital Simulation












[Current Accounting Basis] Capital Simulation



※ The expected value of capital and the lower level of capital in the 10,000 simulation paths of the fund for individual insurance and individual annuities in the general account assets of Dai-ichi Life.
※ "Accounting capital" includes retained earnings for available-for-sale securities and reserve for price fluctuations and contingency, etc.)

Impact of Selling Risk Assets Amid Low Interest Rates

		Current strategy (Asset allocation depending on interest rate levels)			Case study (Shifting from risk assets to fixed income※ amid low rate)		
Asset allocation	Low rate	<u>Keep balanced investment (fixed income+risk assets)</u> <ul style="list-style-type: none">▪ Diversification▪ Maintaining the investment yield▪ Extending the asset duration▪ Planned sales of domestic equity			Low rate	<u>Complete ALM (significant reduction of market risks)</u> <ul style="list-style-type: none">▪ Reduction of duration gap▪ Shifting from risk assets to fixed income	
	Rise in rate	<u>Complete ALM (significant reduction of market risks)</u> <ul style="list-style-type: none">▪ Reduction of duration gap▪ Shifting to fixed income from risk assets				Rise in rate	Maintaining asset allocation above

		Capital (Economic value)	Regulatory capital	Income			Capital (Economic value)	Regulatory capital	Income
Impact on financial statement	Low rate	 Duration gap remains amid low interest rates	 Ensuring soundness	 Keep the profitability that exceeds the liability cost	Low rate	 Significant reduction of market risks	 Decrease in unrealized loss due to reduction of high risk assets	 Investment yield falls below liability cost	
	Rise in rate	 Significant reduction of market risks	 Ensuring soundness in case of interest rates rise	 Acquire the profitability that exceeds liability cost					Rise in rate

※ Yen-denominated bond (other securities)

Our Strategy when Interest Rates Rise

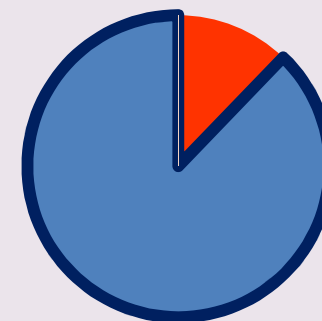
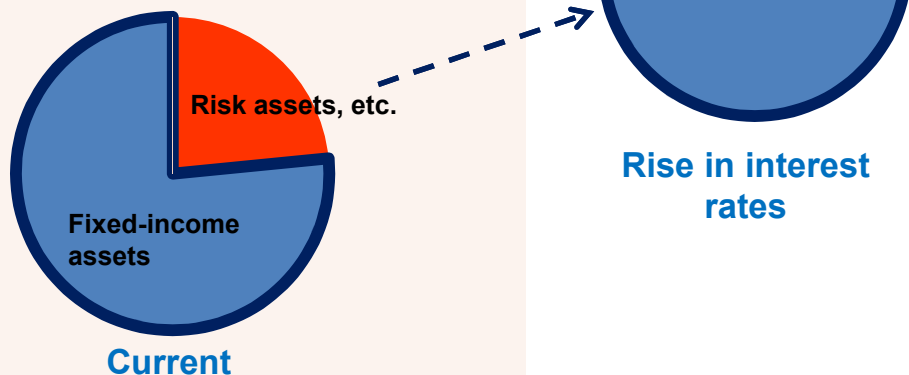
- Under the current low interest rate environment, we will promote the reduction of economic value based risk while paying full attention to "ensuring financial soundness when interest rates rise (reliable payment of insurance claims)" and "maintaining profits that exceed liability costs."
- After a rise in interest rates, we will promote the reduction of interest rate risk (the elimination of the duration gap) by taking into account the liability conditions.

Portfolio images depending on interest rate levels

Significance of maintaining balanced investment

Ensuring financial soundness when interest rates rise

Maintaining profits in excess of the cost of liability



After the rise in interest rates

**Reduce current accounting constraints
Shift from risk assets to fixed income assets**

※ Portfolios after a rise in interest rates depend on future liability conditions and constraints of yen-denominated bonds that can be purchased up to 40 years at present.

Risk assets

Reduction in market risk associated with stockholdings

Further shift from risk assets to fixed income assets

Fixed-income assets

**Lengthen the duration of policy reserve matching bonds
Construction of interest rate swaps**

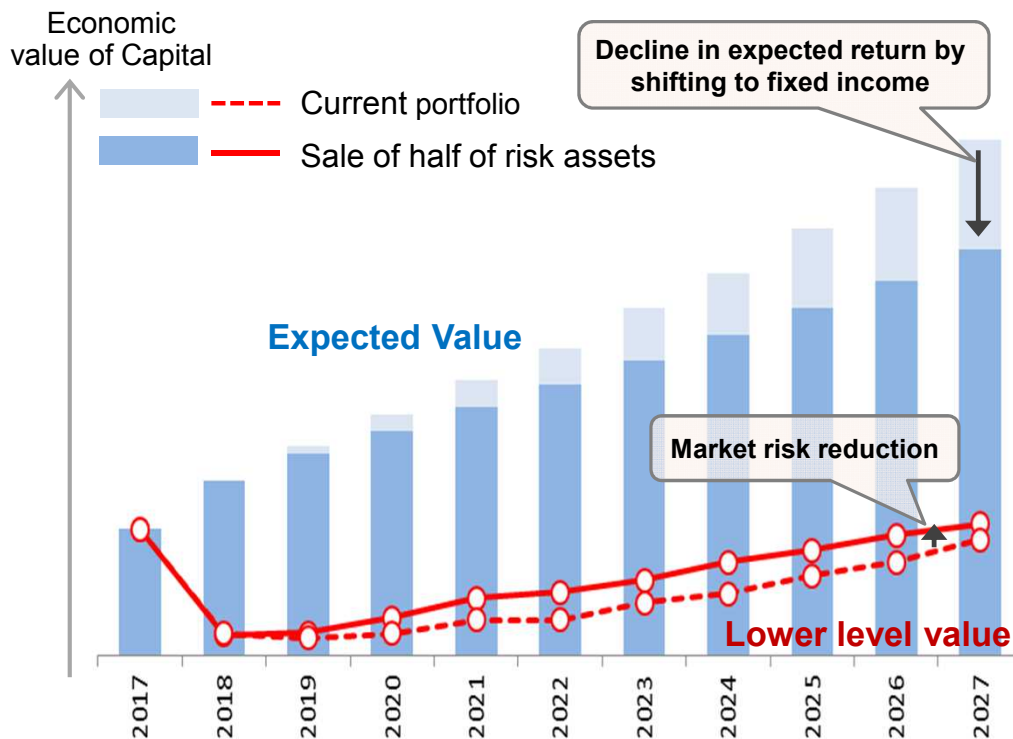
Accumulation/Lengthen the duration of policy reserve matching bonds

Impact of Selling Risk Assets Amid Low Interest Rates

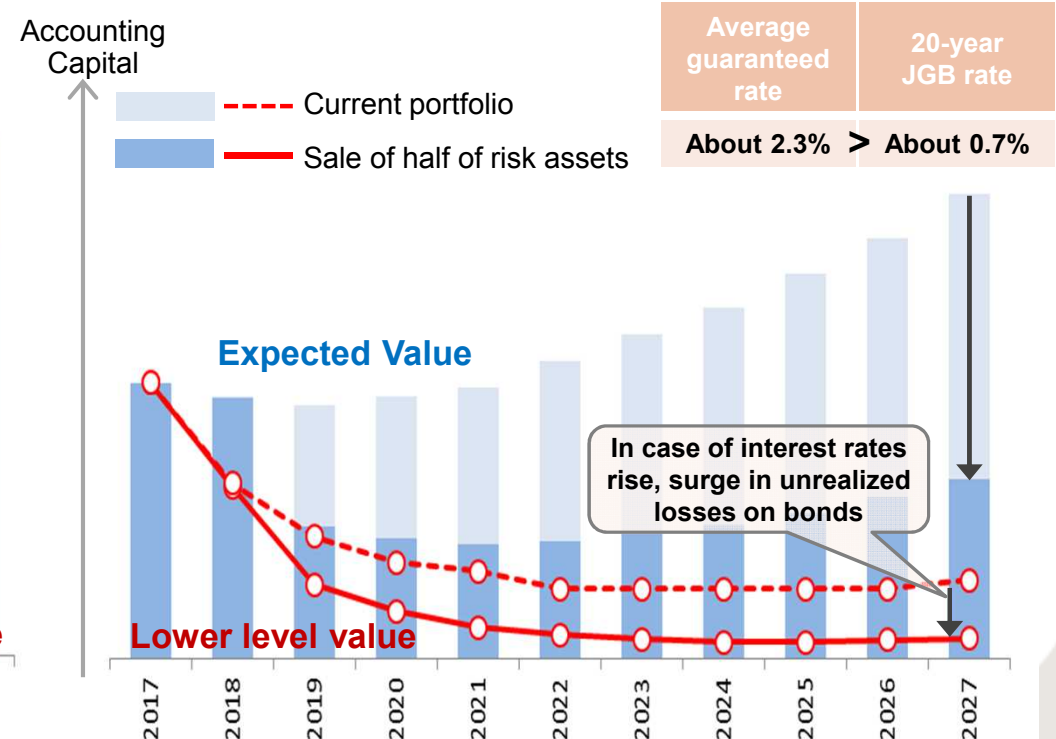
(Reference) Changes in Mid-to-long Term Portfolio Simulation Results

- A significant reduction in risk assets under a low interest rate environment would increase the risk of undercapitalization based on current accounting, which would be a constraint.

[Economic Value Basis] Capital Simulation



[Current Accounting Basis] Capital Simulation



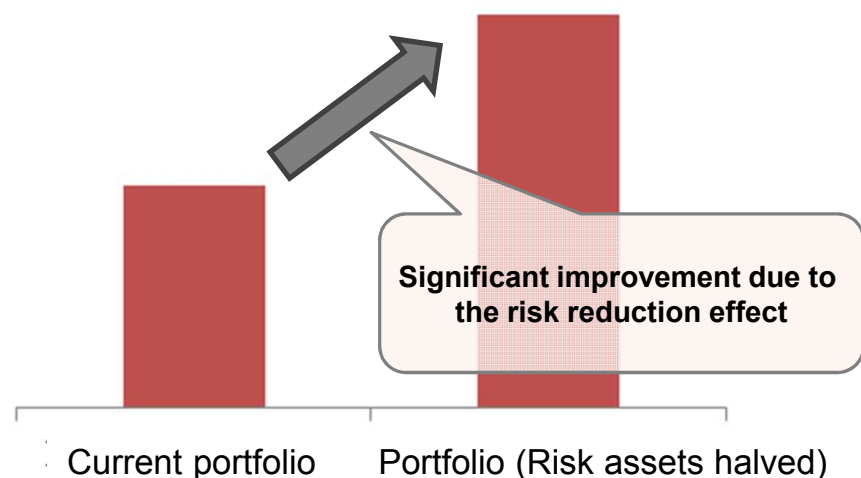
※ The expected value of capital and the lower level of capital in the 10,000 simulation paths of the fund for individual insurance and individual annuities in the general account assets of Dai-ichi Life.
 ※ "Accounting capital" includes retained earnings for available-for-sale securities and reserve for price fluctuations and contingency, etc.)
 ※ Average guaranteed rate is the value of Dai-ichi Life's general account.

Impact of Selling Risk Assets Amid Low Interest Rates

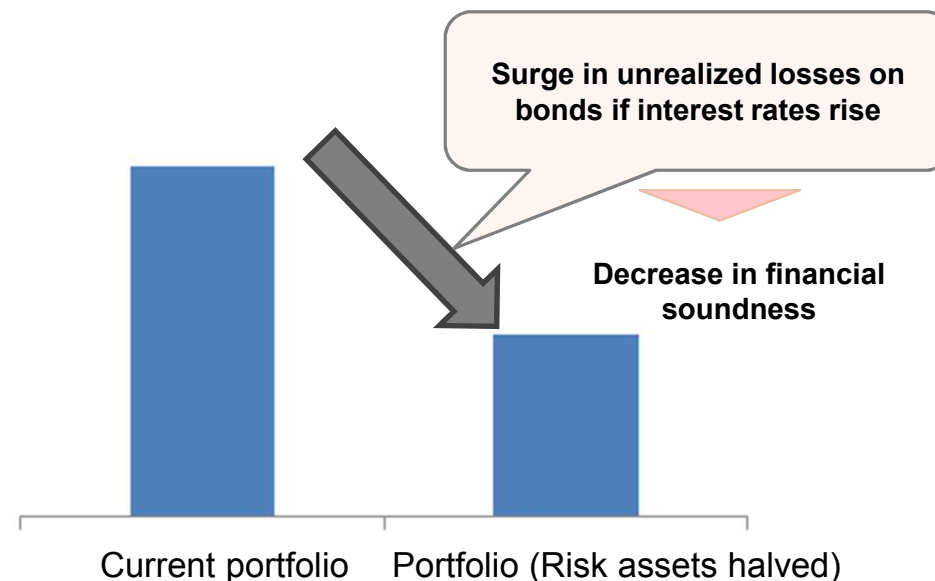
(Reference) Estimated Effects of Deterioration in the Financial Indicators

- If risk assets were halved under the current low interest rate environment, the capital adequacy ratio would improve in the financial environment (see table below), but the adjusted net asset would decrease significantly in surge in interest rates under the current accounting basis.

[Economic Value Basis] Capital adequacy ratio



[Regulation] Adjusted Net Assets



(Reference) Deterioration scenario of financial environment in mid-to long term portfolio simulation

	Nikkei	20-year JGB rate	NY Dow	10-year Treasury rate	Dollar yen
End of FY2017	21,454	0.5%	24,103	2.7%	106
Portfolio/ Half of risky assets (Lower-level scenario path)	23,745	2.5%	25,818	4.4%	105

※ Lower-level scenario of capital simulation results after 3 years for both the current portfolio and the case of selling half of risk assets

※ The adjusted net asset value is the market value of assets minus real liabilities (excluding reserve for price fluctuations and contingency reserve, etc.) and is a negative administrative supervisory indicator that is subject to business suspension orders, etc.

References



Dai-ichi Life
Holdings

Dai-ichi Life Group
Medium-term Management Plan

CONNECT 2020

Covering FY2018-2020

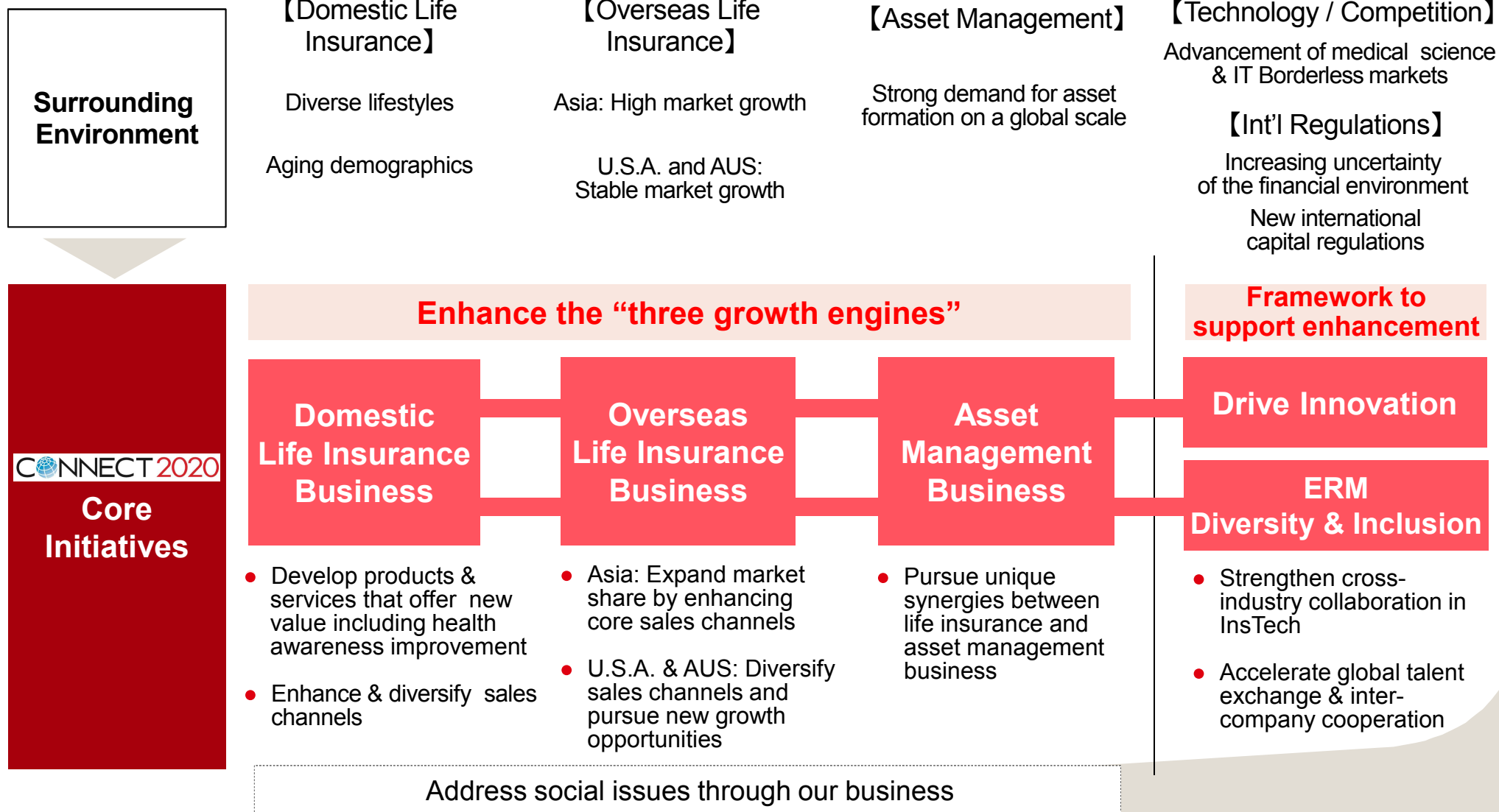


Dai-ichi Life
Holdings



Core Initiatives for Growth

■ Enhance the “three growth engines” against changes in surrounding environment



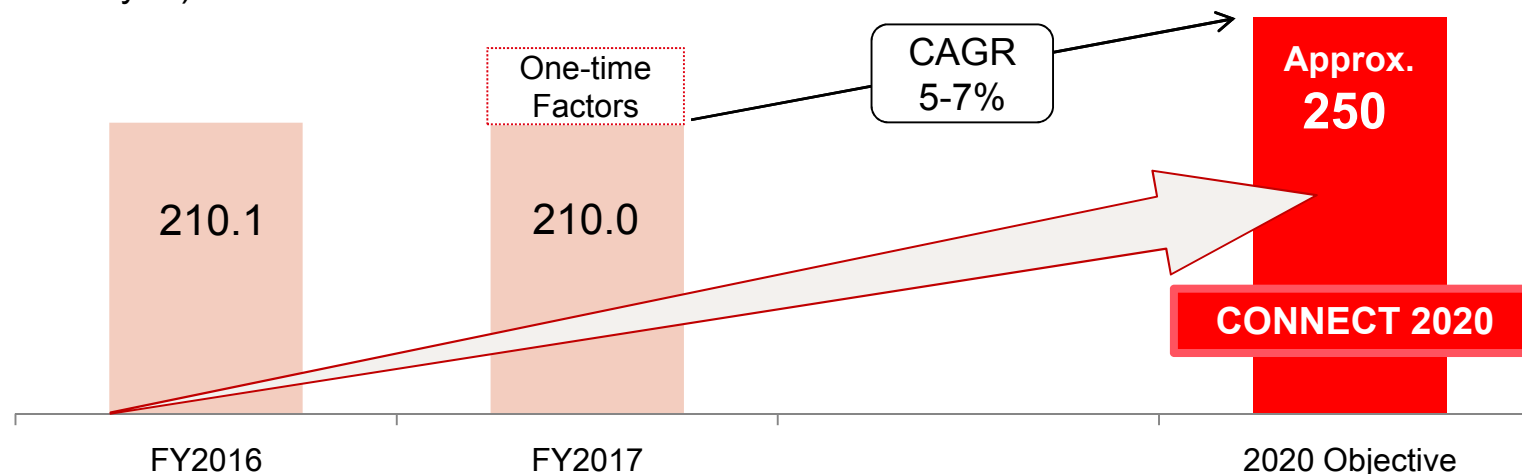


Growth of Adjusted Profit & Value of New Business

- Aim for **Group adjusted profit** of **250 billion yen** from the current level of 210 billion yen (excluding one-time factors)
- Maintain CAGR of 5-7% to aim for **Group value of new business** of **230 billion yen**

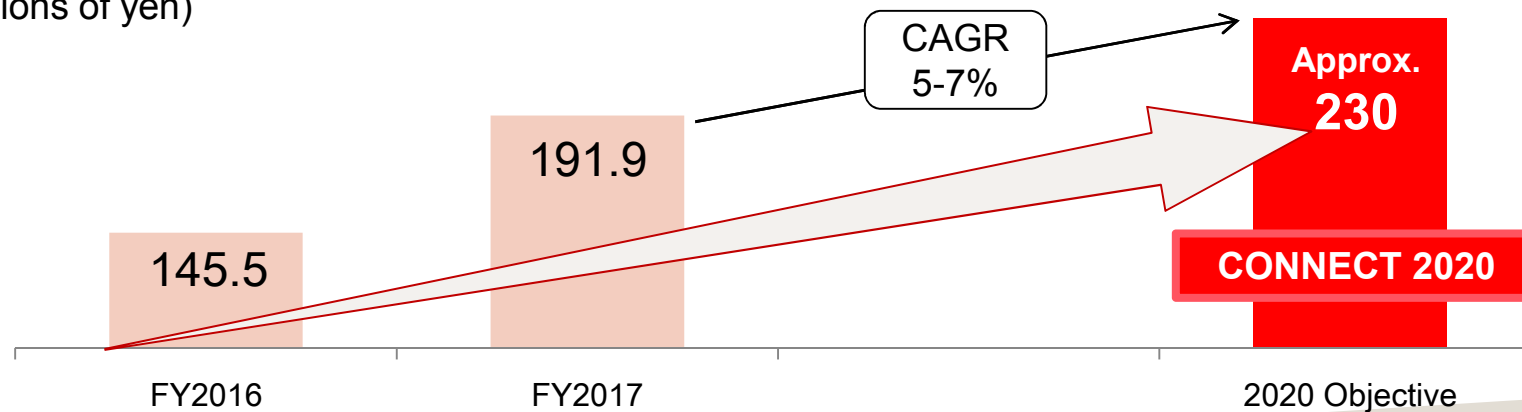
Group Adjusted Profit

(billions of yen)



Group Value of New
Business (Note)

(billions of yen)



(Note) Figures of Dai-ichi Life Vietnam, Star Union Dai-ichi Life (India) and Panin Dai-ichi Life (Indonesia) are accounted for in the calculations for our mid-term objective. The handling of figures for Ocean Life (Thailand) is under consideration. However, because of the limited effect to the entire group, we maintain our 2020 objective regardless of the handling of Ocean Life figures.

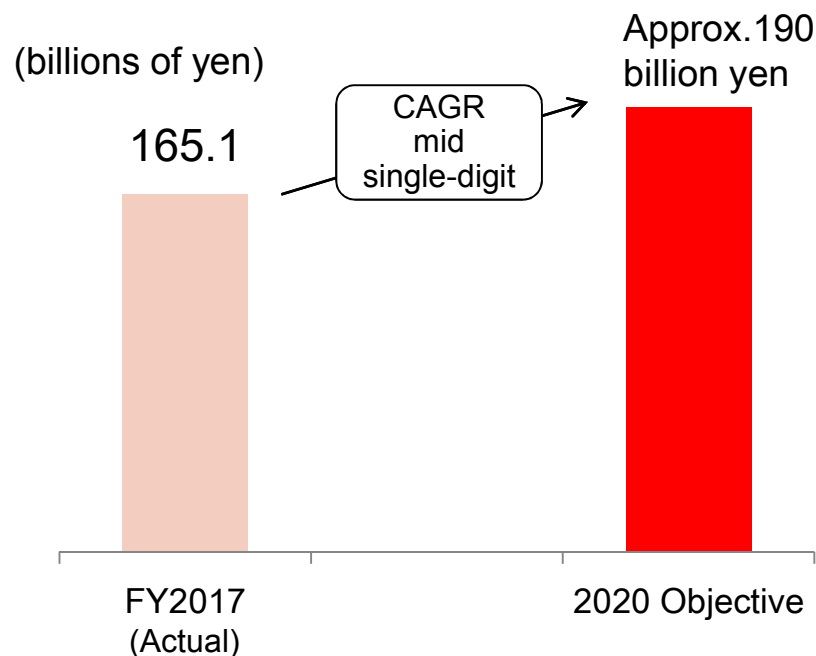


Domestic Life Insurance Business

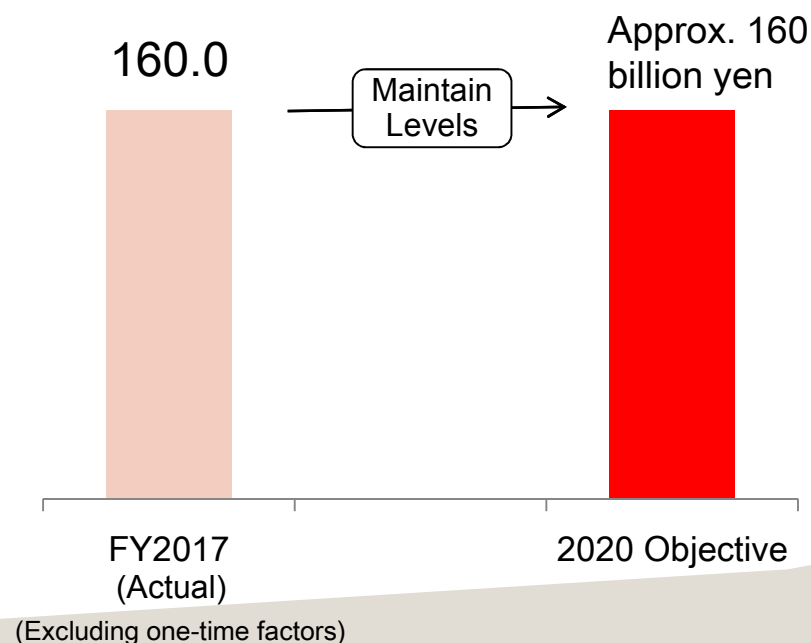
Increase value of new business by investing in products, services and distribution channels while maintaining profit levels

- Three brands enter a new dimension with **more mutual distribution of products and services**
- **Improve consulting capabilities of Total Life Plan Designers** and **expand the agency channel** to accelerate the multi-channel strategy
- Carry out a **product strategy to improve quality of life** and **expand partnerships** ahead of anticipated changes in social and customer needs

Value of New Business



Adjusted Profit





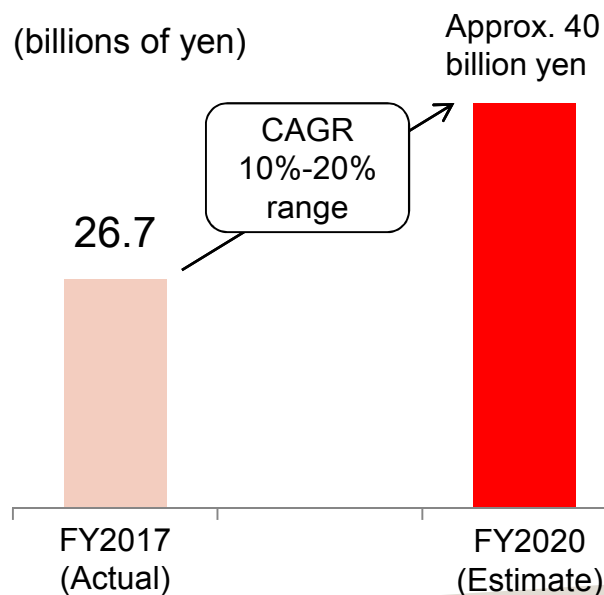
Overseas Life and Asset Management business

Implement custom strategy reflecting each region's growth stage while exploring new growth opportunities

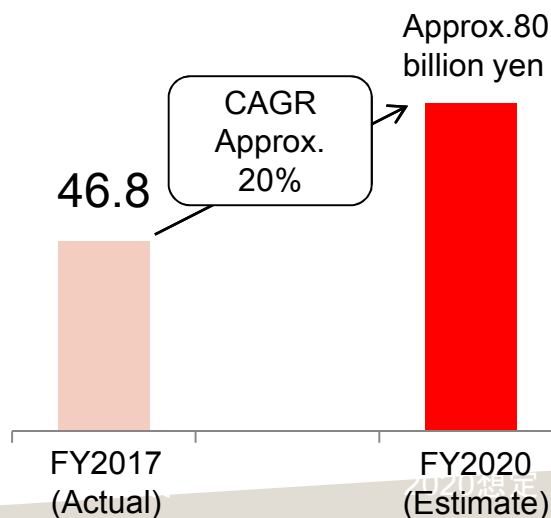
Pursue synergies with group life insurers while benefiting from the growth of the global asset management market

- In developed countries, sustainable growth will **drive profit growth of our overseas life insurers**. In emerging countries, focus on the top line and expand market share through enhancement of sales channels
- Move forward towards realization of business opportunities in **Mekong region** including other growth opportunities that are abundant in Early Stage* markets
- Strengthened competitiveness through business integration of our two asset managers, accelerate **profit growth** with AUM scale
- Addition to synergies between the two asset managers, pursue **global synergies** with group life insurance companies

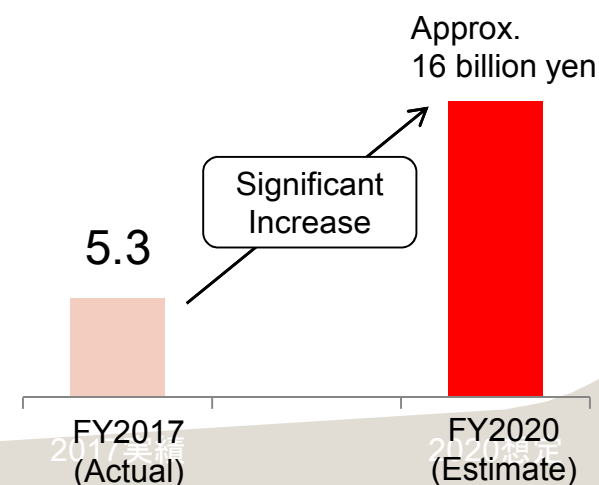
Overseas life insurance
value of new business



Overseas life insurance
adjusted profit



Asset management business
adjusted profit



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



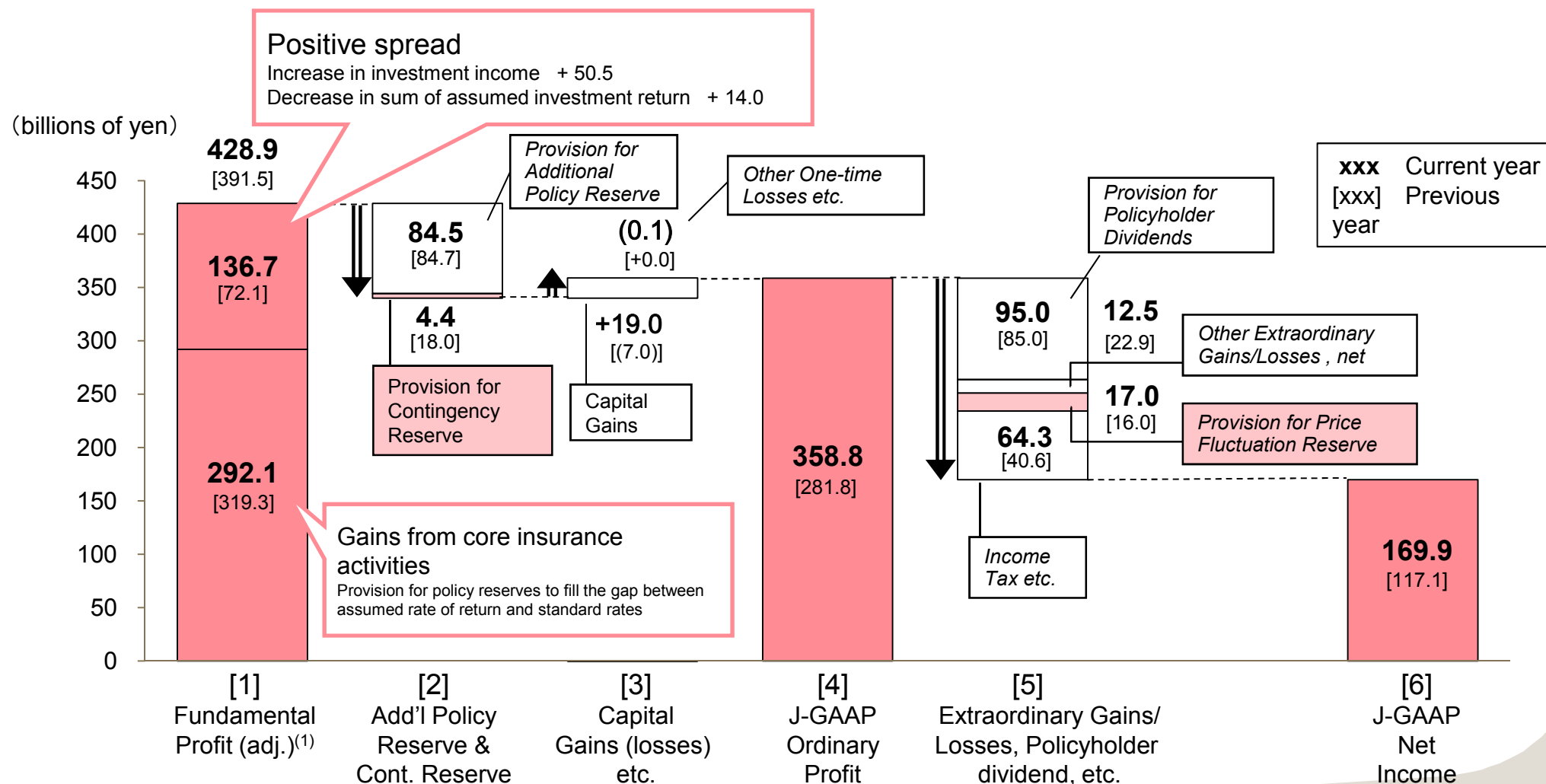
Dai-ichi Life
Holdings

Dai-ichi Life's Earnings from Fundamental Profit to Net Income (FY 2017)



Dai-ichi Life
Holdings

■ Significant improvement in positive spread due to favorable impacts from market conditions

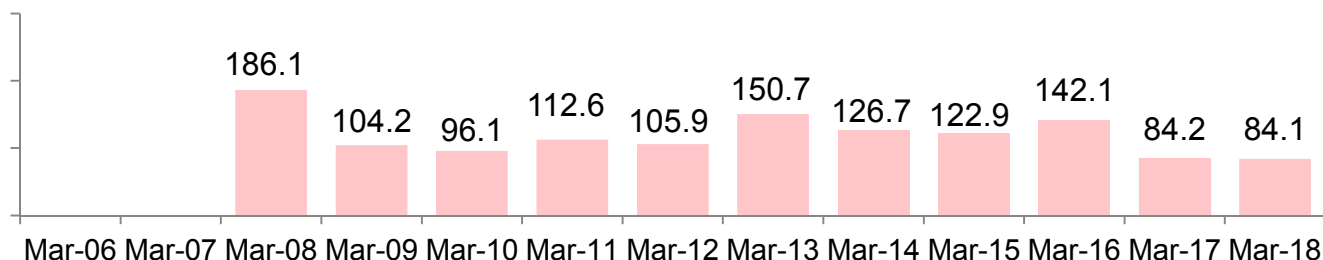


(1) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance). From the fiscal year ending March 2018, fundamental profit before adjustment does not include the effect of provision for (reversal 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.

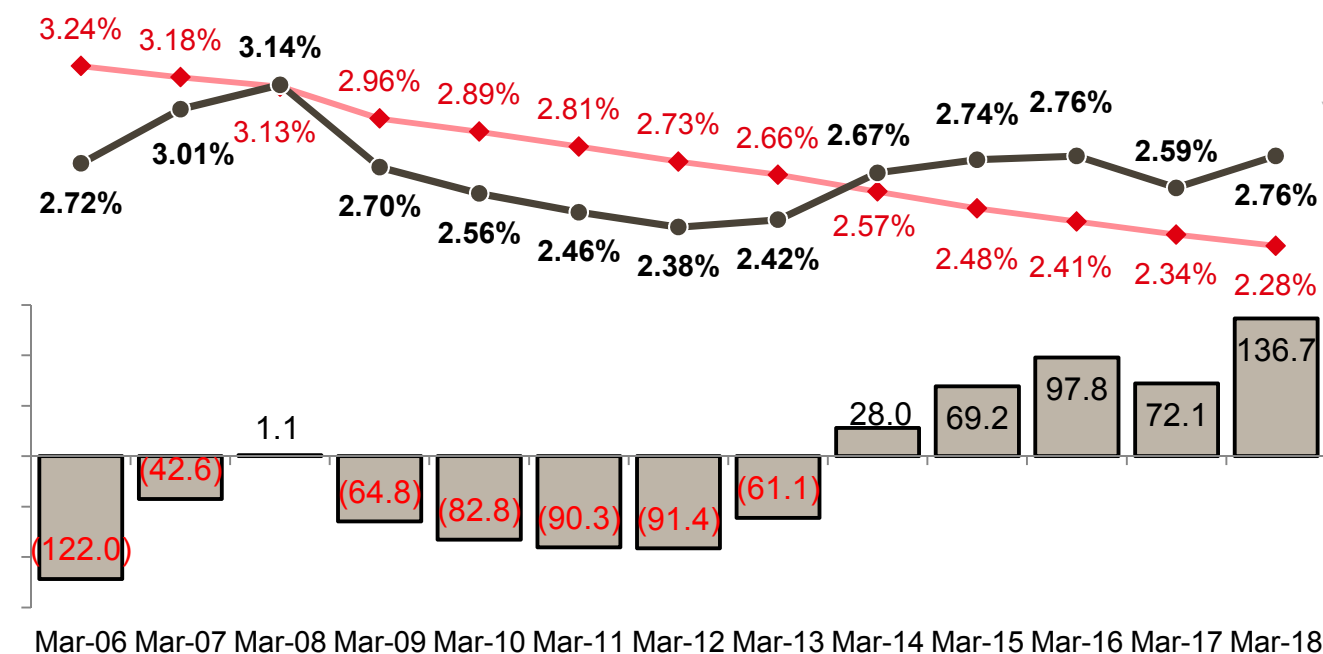


Dai-ichi Life: Negative/Positive Spread and Additional Policy Reserve

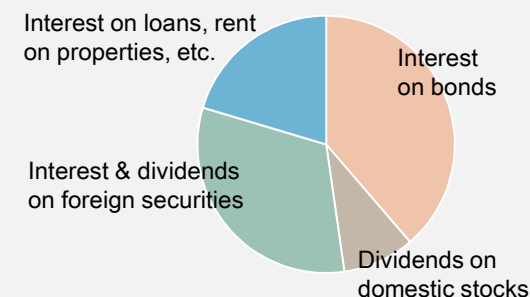
Provision for Additional Policy Reserve (billions of yen)



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



Component of Interest and Dividend Income (Mar-18)



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



Dai-ichi Life: Additional Policy Reserve

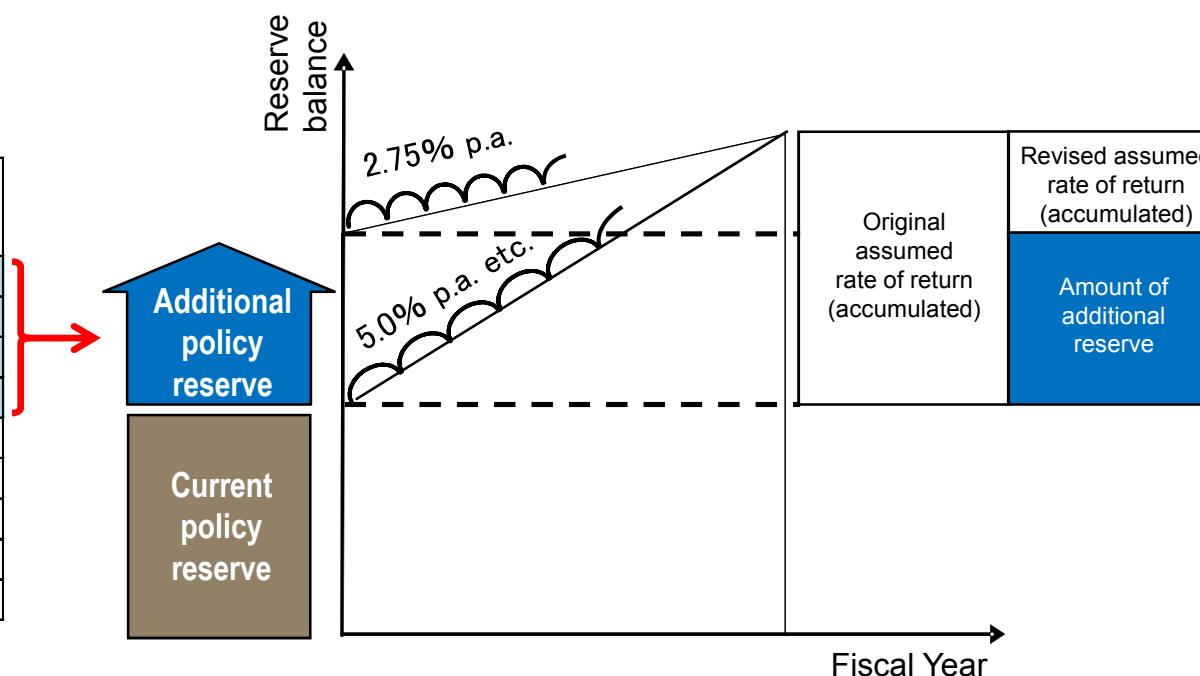
Policy Reserve Outstanding by Year Signed ⁽¹⁾

Accumulation of Additional Policy Reserve ⁽¹⁾

Dai-ichi Life is providing additional policy reserve against: Whole life insurance signed before March 1996 and paid in full

(billions of yen)

Year signed	Policy Reserve Outstanding	Average assumed rate of return
~ Mar-81	648.6	2.75% ~ 5.50%
Mar-82 ~ Mar-86	1,179.6	2.75% ~ 5.50%
Mar-87 ~ Mar-91	4,596.3	2.75% ~ 5.50%
Mar-92 ~ Mar-96	4,268.5	2.75% ~ 5.50%
Mar-97 ~ Mar-01	1,482.2	2.00% ~ 2.75%
Mar-02 ~ Mar-06	1,626.4	1.50%
Mar-07 ~ Mar-11	3,049.1	1.50%
Mar-12 ~ Mar-16	4,878.2	1.00% ~ 1.50%
Mar-17 ~ Mar-18	1,448.7	0.25% ~ 1.00%



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

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

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

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

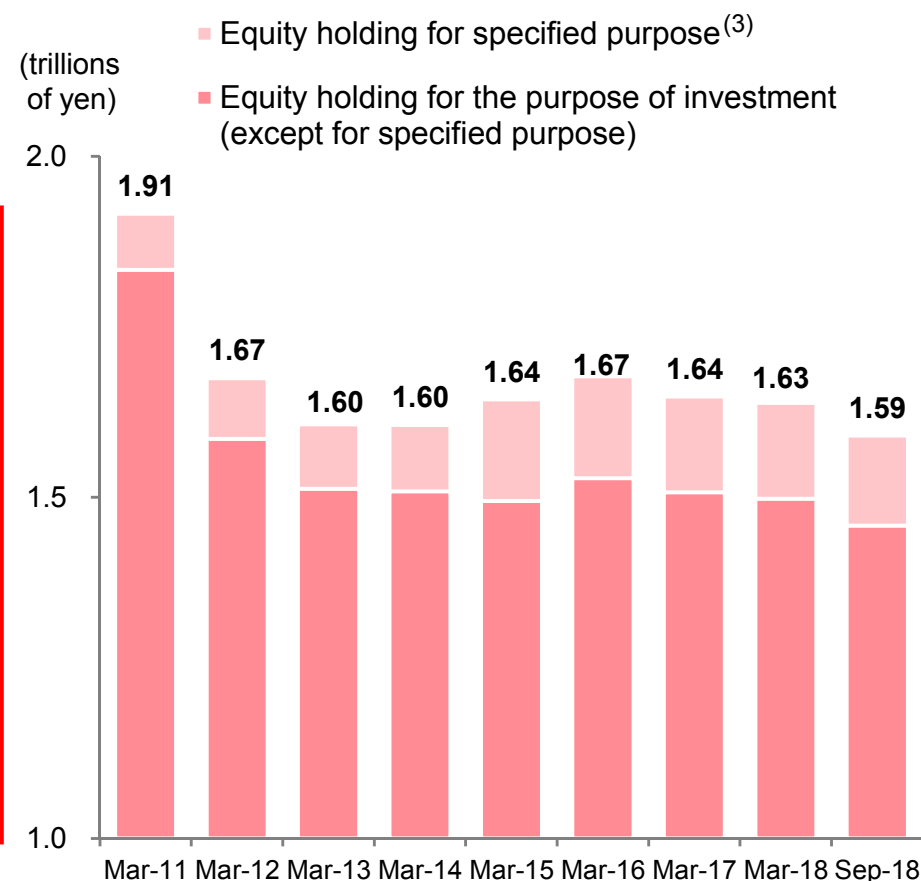
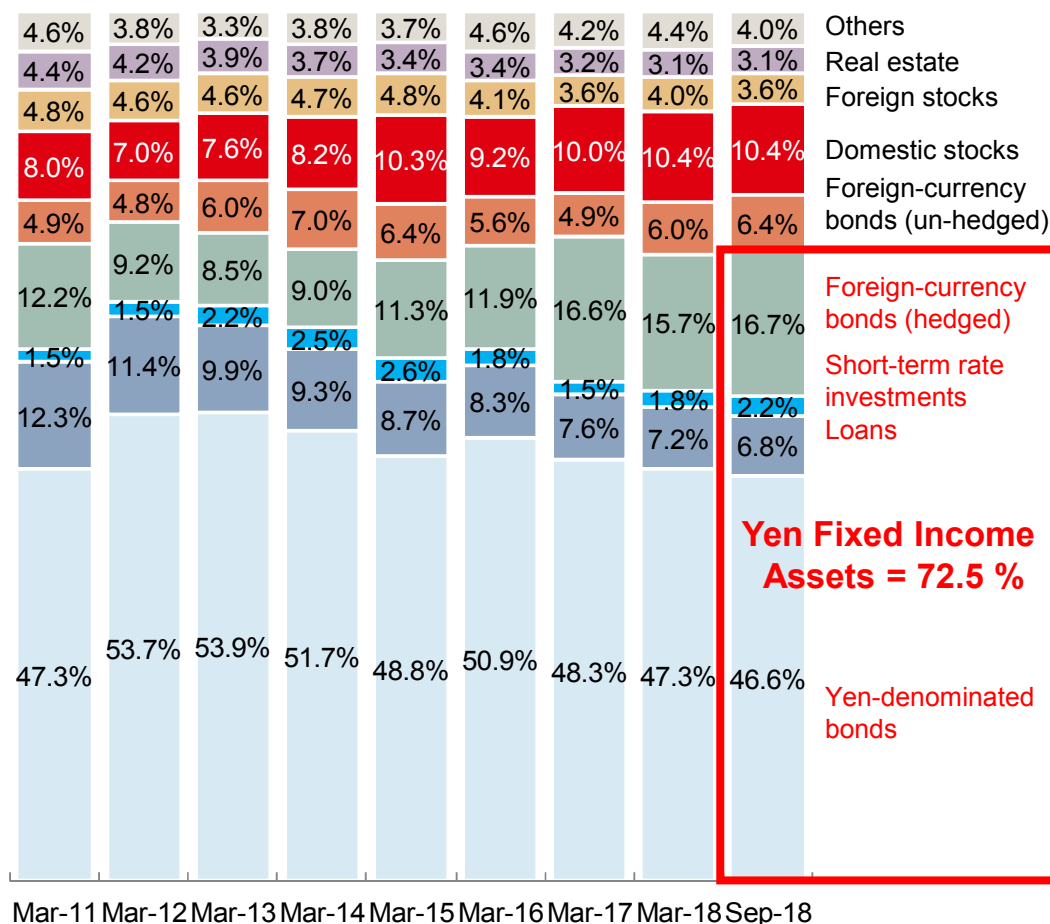
Dai-ichi Life: General Account Assets (1)



Dai-ichi Life
Holdings

Asset Portfolio (General Account) (1)

Book Value of Domestic Stocks (2)



(1) Carrying amount - basis

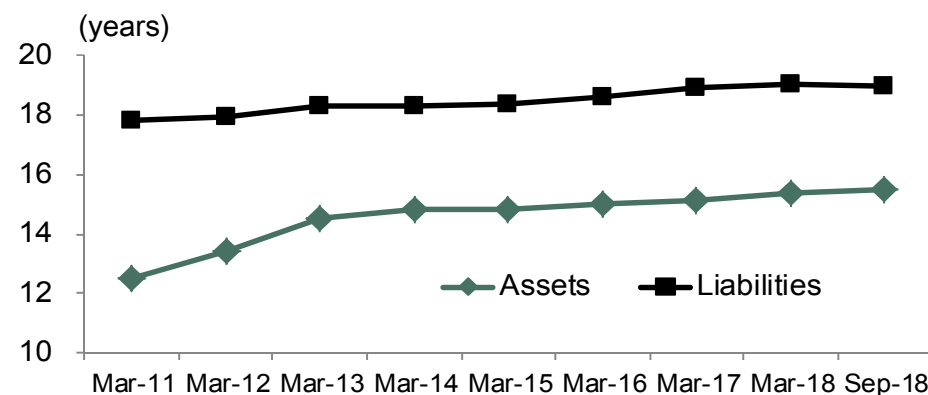
(2) Book value of domestic stocks with fair value (excluding stocks of subsidiaries / affiliated companies and unlisted companies)

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

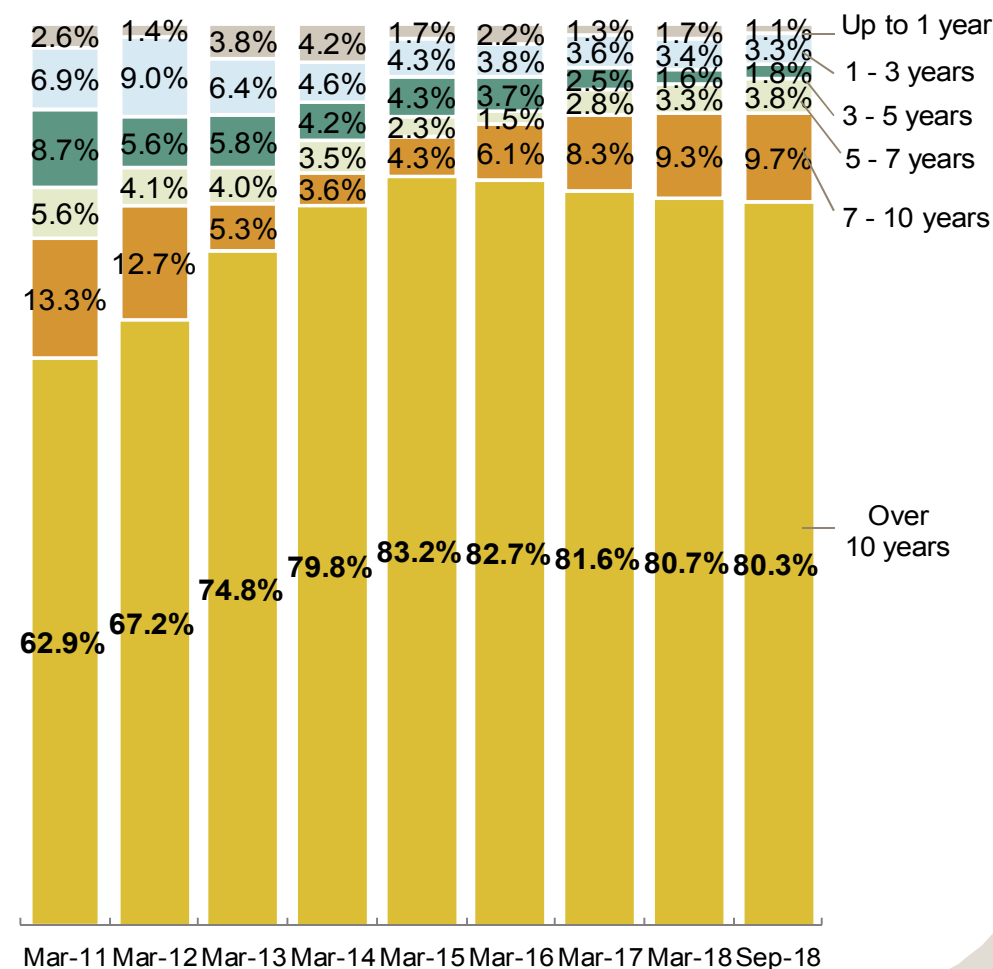


Dai-ichi Life: General Account Assets (2)

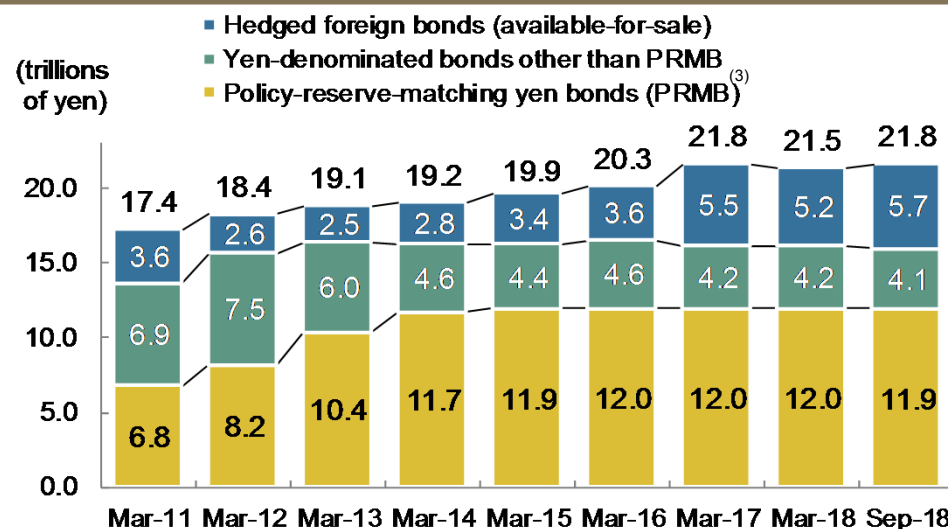
Duration of Fixed Income Assets ⁽¹⁾



Maturity Profile of Domestic Bonds ⁽⁴⁾



Yen and Currency-hedged Foreign Bonds ⁽²⁾

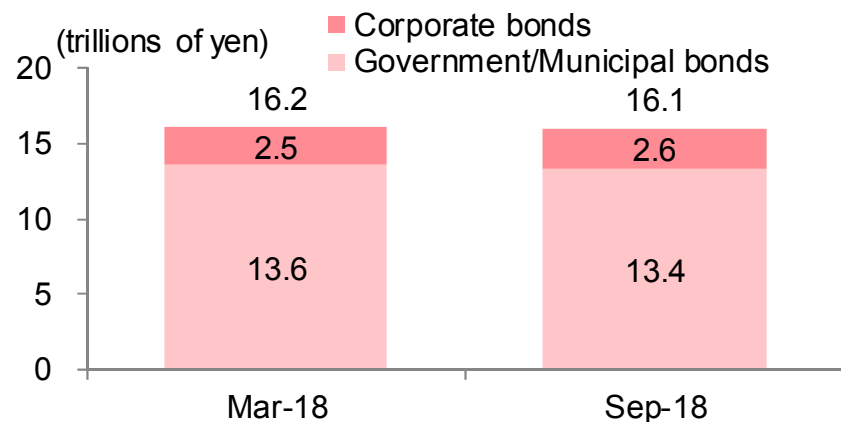


- (1) Represents insurance liabilities associated with individual insurance and annuities in the company's general account and duration of yen-based fixed income assets (including derivatives)
- (2) Represents yen-denominated bonds and foreign bonds with currency hedges in the company's general account. The balance is shown on an amortized cost basis.
- (3) PRMB is a unique category for bonds, accepted under Japanese GAAP. PRMB is reported at amortized cost if the bonds meet certain requirements.
- (4) Represents domestic bonds in the company's general account. The balance is shown on a carrying amount basis.

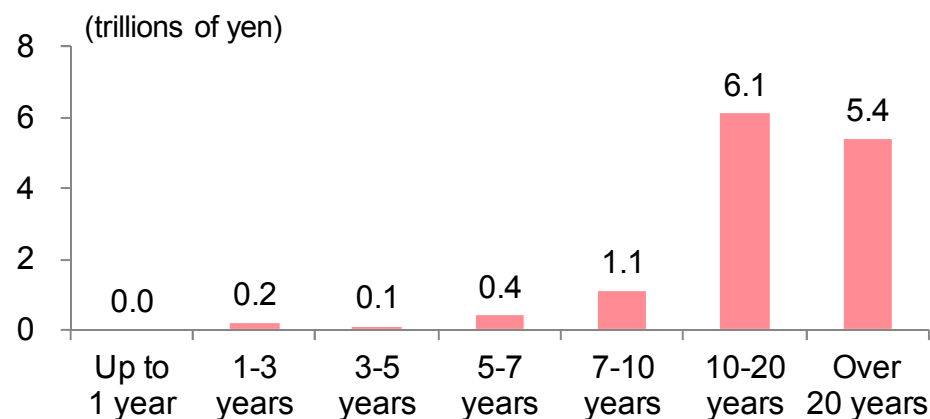


Dai-ichi Life: General Account Assets (3) Profile of Bonds

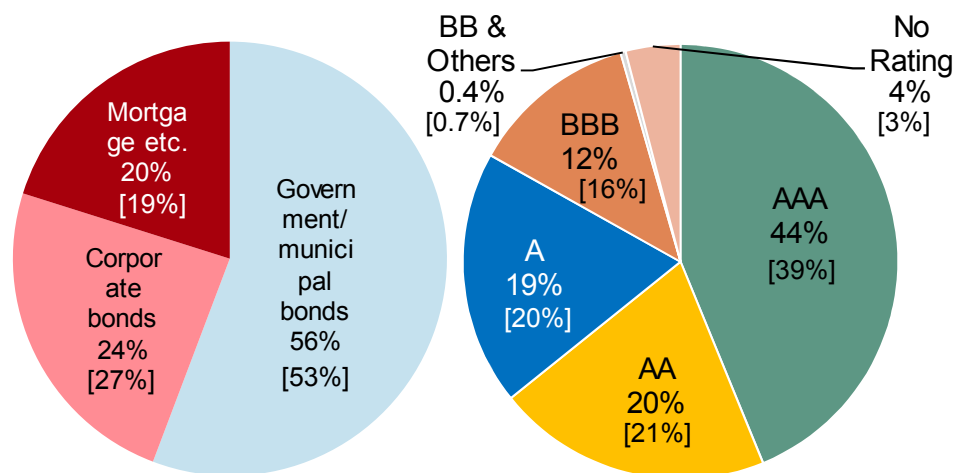
Yen-denominated Bonds ⁽¹⁾



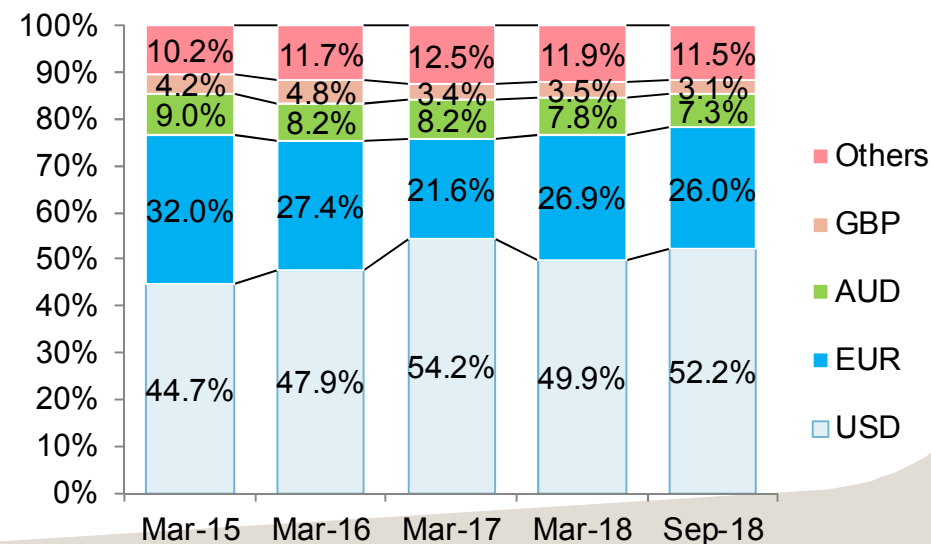
Domestic Government Bonds ⁽²⁾ by Maturity (Sep-18)



Foreign Currency Bond Portfolio ⁽²⁾⁽³⁾⁽⁴⁾ (Sep-18)



Foreign Currency Bonds by Currency ⁽²⁾



- (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 brackets are as of March 31, 2018.

Dai-ichi Life: Sensitivities to Financial Markets (As of Sep. 2018)



Dai-ichi Life
Holdings

	Sensitivities ⁽¹⁾	Breakeven Points ⁽²⁾
Domestic stocks	Nikkei 225 1,000 yen change: September 2018: ±150 billion yen (March 2018: ±170 billion yen)	Nikkei 225 September 2018: 10,000 yen (March 2018: 9,500 yen)
Domestic bonds	10-year JGB Yield 10bp change: September 2018: ±250 billion yen* (March 2018: ±260 billion yen) * Available-for-sale securities: September 2018: ± 30 billion yen (March 2018: ± 30 billion yen)	10-year JGB Yield September 2018: 1.2%* (March 2018: 1.2%) * Available-for-sale securities: September 2018: 1.4% (March 2018: 1.4%)
Foreign securities	JPY / USD 1 yen change: September 2018: ± 27 billion yen (March 2018: ± 27 billion yen)	JPY / USD September 2018: \$1 = 107 yen (March 2018: 103 yen)

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

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

Asset Management Business



Dai-ichi Life
Holdings

Overview of Group Asset Management Companies



Dai-ichi Life
Holdings

Domestic Business

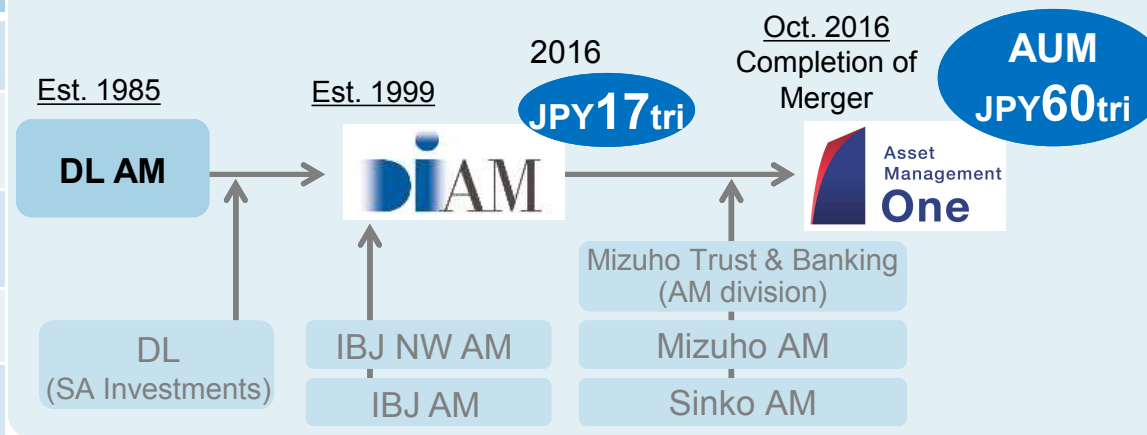
*AUM: Assets Under Management as of September 2018



Asset Management One Co., Ltd.

Formulation	Oct. 2016 (Completion of Merger)
DL Ownership	49% (Economic interest:30%) *Joint venture with Mizuho FG
HQ / Offices	Tokyo / 4 overseas offices (4 countries)
Employees	Approx. 1,000
AUM	JPY 60tri (Mutual fund: 16 / Investment advisory: 44)

Reinforce domestic AM business foundation by mergers



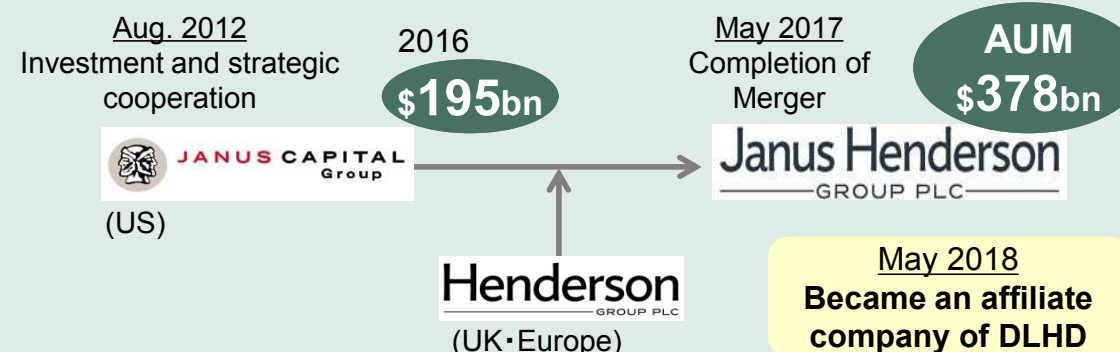
Overseas Business



Listed on NYSE & ASX

Formulation	May 2017 (Completion of Merger)
DL Ownership	15.4%
HQ / Offices	London / 27 offices (14 countries)
Employees	More than 2,000
AUM	\$ 378bn (Americas: 202 / EMEA: 116 / Asia Pacific: 60)

Expand overseas business through strategic cooperation



Group Synergies Between Asset Management and Life Insurance



Dai-ichi Life
Holdings

Total Investment Amounts

Over \$50bn

Group Companies

Group Synergies

Cross-selling between Asset Management One and Janus Henderson



Janus Henderson
GROUP PLC

- Selling Janus Henderson's products in the Japanese market through Asset Management One's distribution network
- Considering co-development of products for mutual sales in the global market

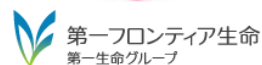
Providing optimal solutions to domestic life insurance group GA / SA investments



Janus Henderson
GROUP PLC

By your side, for life

DAI-ICHI LIFE



第一フロンティア生命
第一生命グループ
Dai-ichi Frontier Life

- Entrusted with certain general account investments of domestic life insurance group to enhance risk-return profile of the portfolio
- Providing competitive investment products for separate account investments

Expanding synergies with overseas life insurance groups

Janus Henderson
GROUP PLC



- Providing competitive investment products to Protective Life variable annuity contracts and general account investments of TAL

Overseas Life Insurance Business



Dai-ichi Life
Holdings

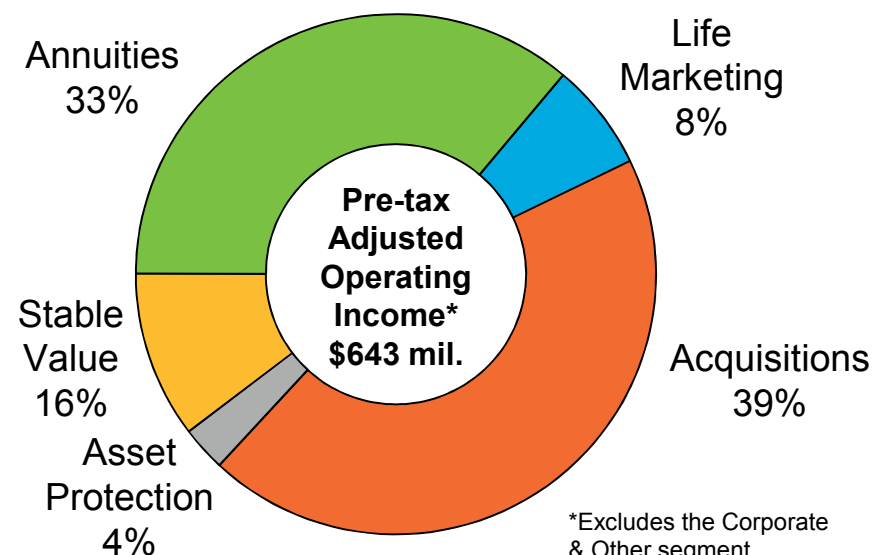


Protective Life: At a Glance

About Protective

- Established in 1907
- Became a wholly owned subsidiary in 2015
- No. of Employees: 2,763 (Mar-2018)
- \$862B life insurance in force
- 8.3M policies and contracts in force (including non-life contracts)
- Market share: 0.5% (Dec-2017, Net Premium income basis)
- Market rank: No. 48 (Dec-2016, Net Premium income basis)
- 56 acquisition transactions (including Asset protection business)

Business Mix (2017 results)



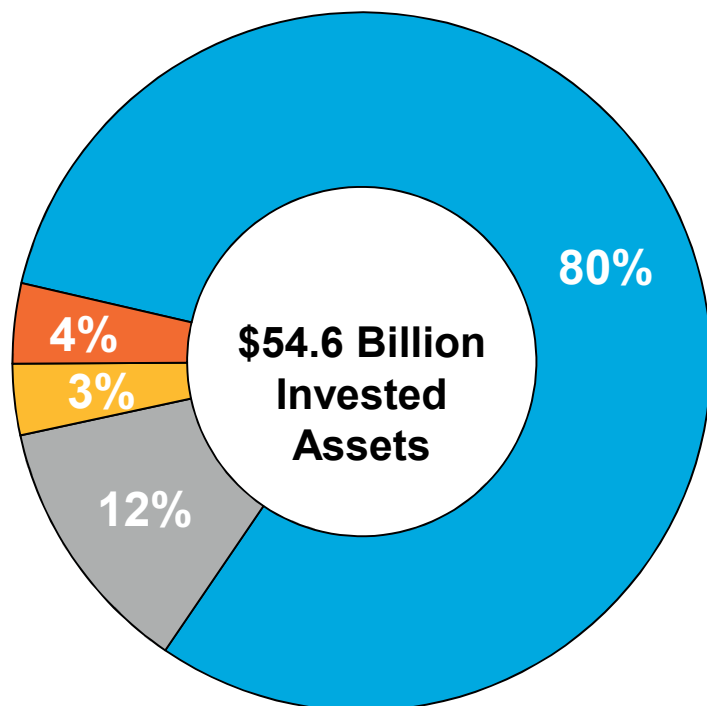
Main Product and Channels

		Life Insurance	Annuities	Stable Value Products	Asset Protection	Acquisitions
Products		Universal Life and Traditional	Fixed and Variable Annuities	Wholesale Funding Agreements	Vehicle Service Contracts	Acquired Business
Distribution	Agents	○	○			Primarily life and annuity
	Banks	○	○			
	Stockbrokers	○	○			
	P&C Agents	○	○			
	Institutional Investors			○		
	Auto Dealers				○	
	Affinity Partners	○				
Direct to Consumers		○				

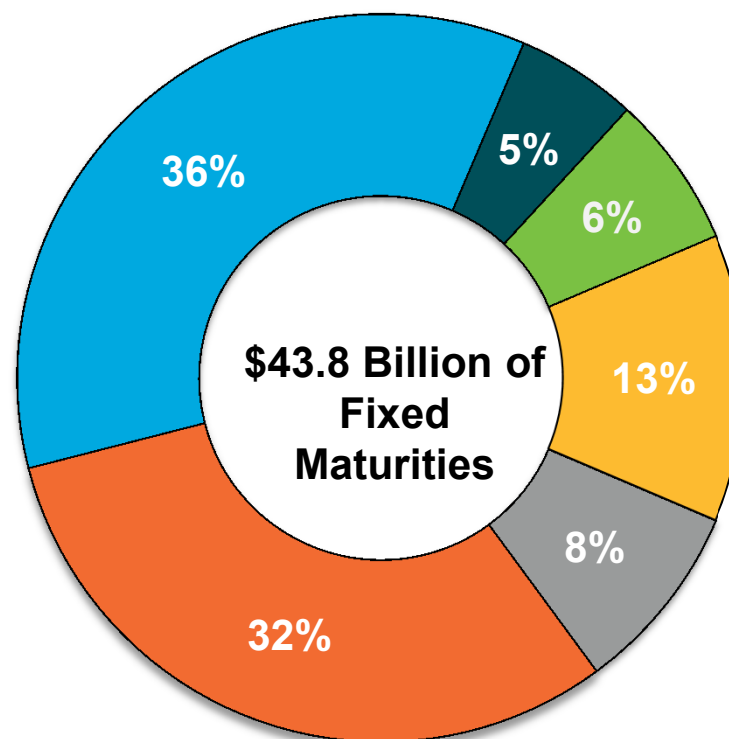


Protective Life: Investment Portfolio

Investment Portfolio Overview



Fixed Maturities Portfolio by Credit Quality



As of December 31, 2017

*Not rated securities are primarily comprised of notes related to the Company's captive reserve financings.

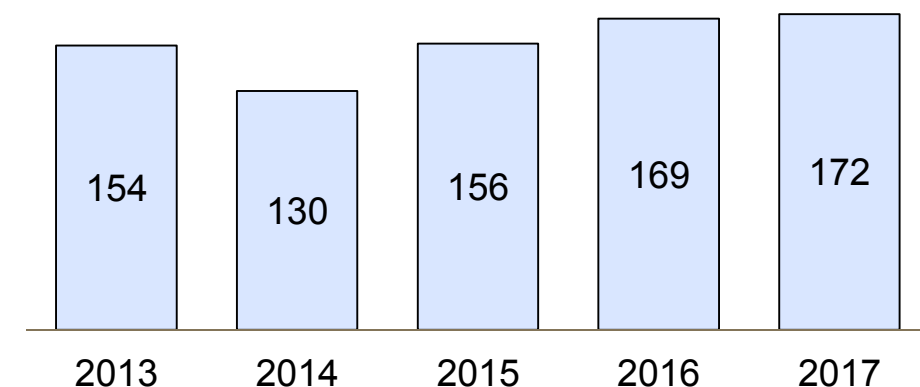
Protective Life: Sales Trends



Dai-ichi Life
Holdings

Life Marketing

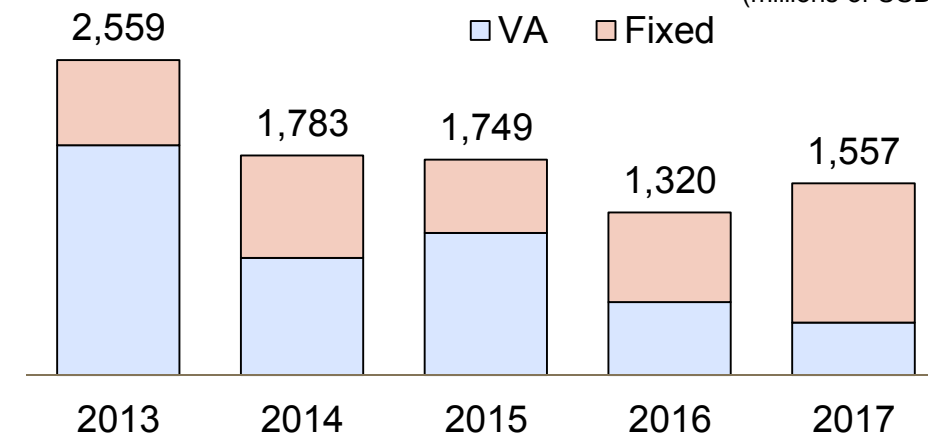
(millions of USD)



(1) Sales are based mainly on annualized premiums.

Annuities

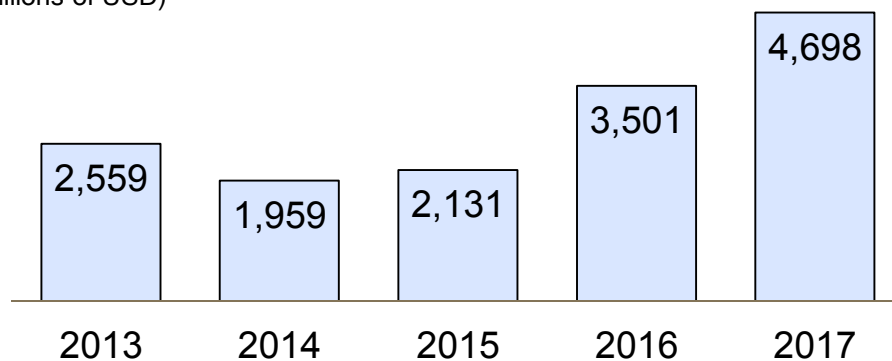
(millions of USD)



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

Stable Value Products (Ending Account Balances)

(millions of USD)

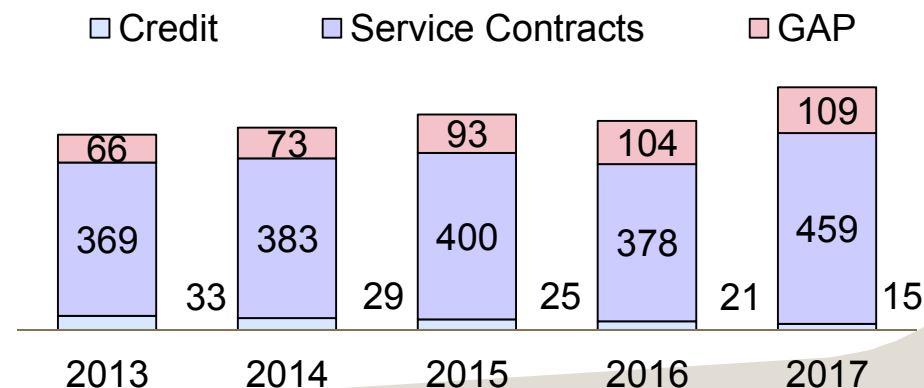


Sales 494 91 814 1,856 1,765

(1) Sales are measured at the time the purchase payments are received

Asset Protection

(millions of USD)



(1) Sales are based on the amount of single premiums and fees received.

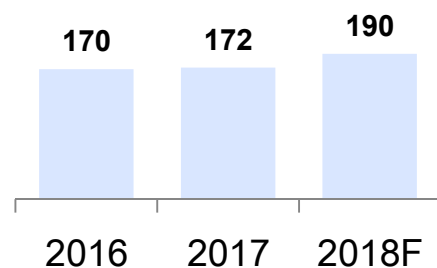
Protective Business Plans for FY 2018



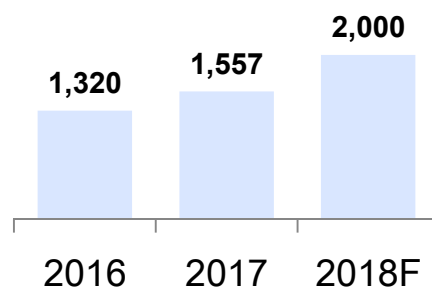
Dai-ichi Life
Holdings

Sales Estimates

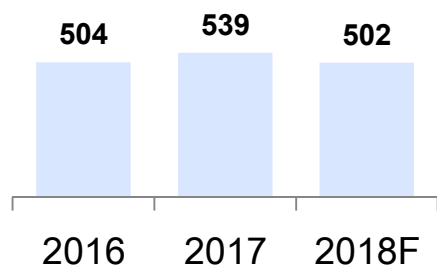
Life Marketing



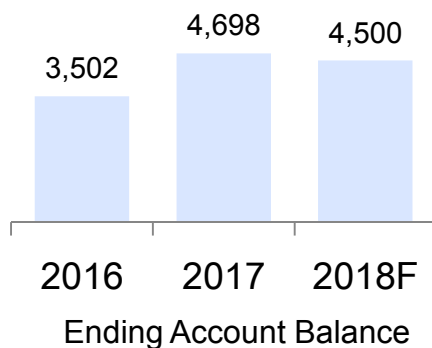
Annuities (millions of USD)



Asset Protection



Stable Value



Financial Plan

(millions of USD unless otherwise noted)

	2018 Plan
After-Tax Adjusted Operating Income	417
Net Income	376
RBC Ratio (%)	474 %
Debt to Capital Ratio (%)	17 %
Dividend to Dai-ichi	140
Capital >400% RBC (billions of USD)	0.7



Overseas Life Business: Protective

■ Stable profit contribution through both the retail and acquisition businesses

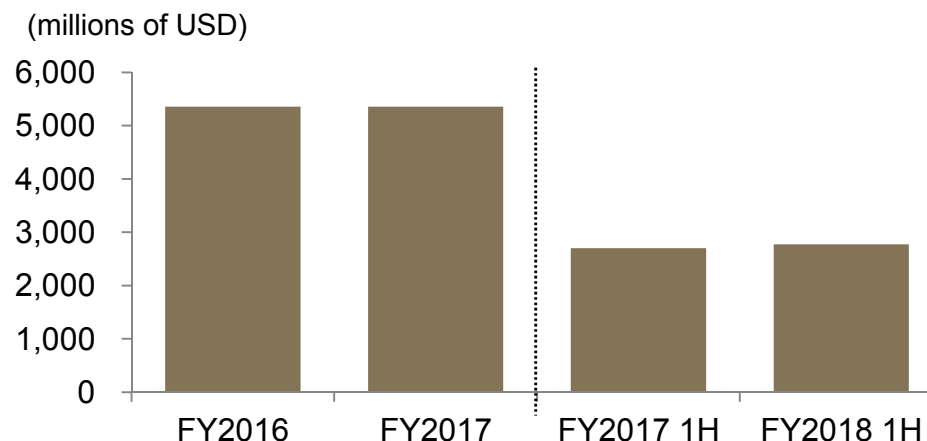
About Protective

- Established in 1907
- Became a wholly owned subsidiary in 2015
- No. of Employees: 2,763 (Mar-2018)
- Based in Birmingham, Alabama
- Sales Channel: Independent Agents, Securities Companies, P&C Agents, Banks, Direct Channel, etc.
- Products: Universal insurance, Fixed and Variable Annuities, Index type Annuities, Auto Insurance, Expense Insurance
- Market share: 0.5% (Dec-2017, Net Premium income basis)
- Market rank: No. 48 (Dec-2017, Net Premium income basis)

US Market Overview

- Market size (2017):
[Population 327 million people, GDP 19,407 billion USD, Life insurance penetration 2.82%]
Source: Swiss Re, sigma No 3/2018
- Main players: Metlife, Prudential, AIG, etc.

Protective Revenue Progress ⁽¹⁾



■ Initiatives in FY 2017

In addition to strengthening existing sales channels, promote the growth of life insurance business through affinity sales with Costco and major financial institutions. In the acquisition business, PLC realized acquisition of individual life and annuity business of Liberty Life Assurance Company of Boston, which is the largest acquisition so far.

■ Initiatives going forward

In addition to strengthening and expanding new affinity partnerships, strengthen the foundation for organic growth by leveraging InsTech. In the acquisition business, aim to contribute further profits through new acquisitions.

(1) The fiscal year is from January to December.



Overseas Life Business: TAL

- Steady increase in premium income. Strive for further growth with multiple initiatives.

About TAL

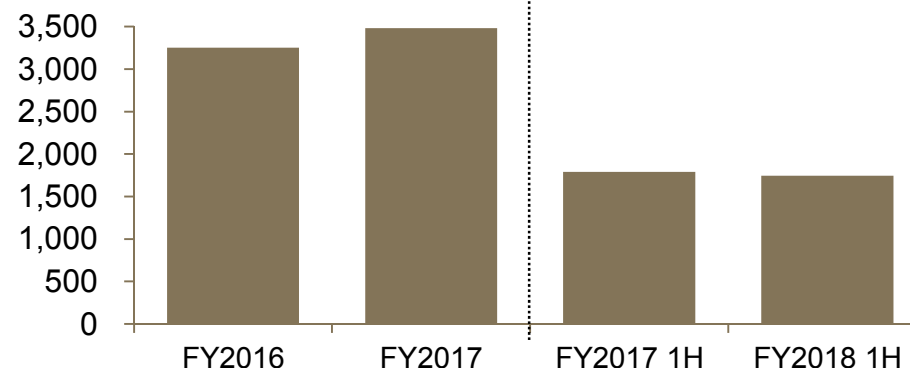
- Established in 1869
(Started as a government life insurance office in New Zealand in 1869; then separated)
- Became an affiliate of Dai-ichi in 2008; then became a subsidiary in 2011
- No. of Employees: 1,588 (Mar-2018)
- Main office: Sydney, Australia
- Main channel: Individual financial advisor, Direct, and Group (superannuation)
- Main products: Risk products (death, income protection & TPD)
- Market share: 17.5% (Dec-2017, In-force ANP basis)
- Market rank: No.1 (Dec-2017, In-force ANP basis)

Insurance Market in Australia

- Market size (2017):
[Population 25 million people, GDP 1,378 billion USD, Penetration (Life) 2.33%]
(Source) Swiss Re, sigma No 3/2018
- An oligopolistic market: each top-5 company holds more than 10% market share (collectively almost 70%).
- Other major players: AIA, AMP, NAB/MLC (Nippon), Commlnsure, etc.

Premium Income of TAL ⁽¹⁾

(millions of AUD)



■ Initiatives in FY 2017

In addition to enhancing sales through the IFA channel and superannuation funds, TAL expanded business alliances in order to reinforce its sales channels.

■ Initiatives going forward

In a challenging business environment, TAL continues to strive for steady growth by building a solid business foundation through enhancement of sales channels, improvement of cost efficiency, diversification of product line-up and improvements in customer services.

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

Overseas Life Business: Dai-ichi Life Vietnam

- Premium income continues to grow as the business foundation enhances.

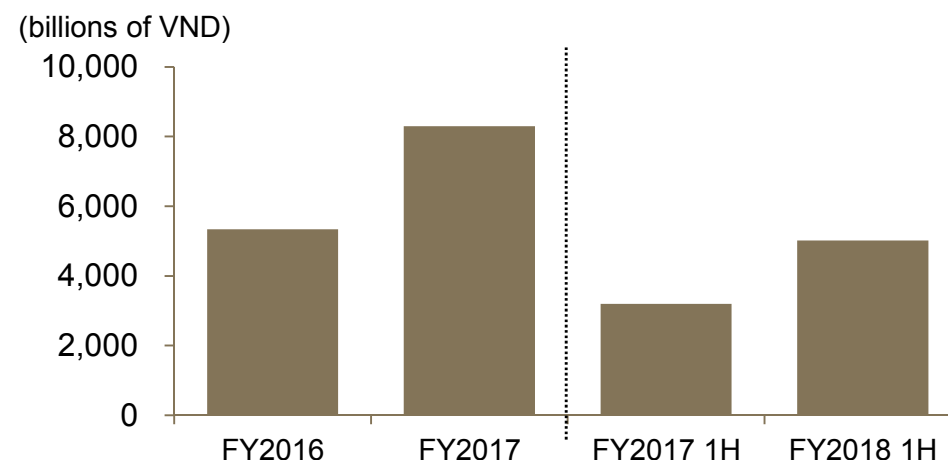
About Dai-ichi Life Vietnam

- Established in 1999
(Started as Bao Minh CMG, a JV of local company and Australian CMG)
- Became subsidiary of Dai-ichi in 2007
- No. of Employees: 1,253 (Mar-2018)
75 thousand agents (part-time)
- Main office: Ho Chi Minh, Vietnam
- Main channel: Individual insurance agent
- Main products: Universal, Endowment
- Market share: 12.2% (Dec-2017, premium income basis)
- Market rank: No. 4 (Dec-2017, premium income basis)

Insurance Market in Vietnam

- Market size (2017):
[Population 95 million people,
GDP 222 billion USD, Penetration (Life) 1.29%]
(Source) Swiss Re, sigma No 3/2018
- An oligopolistic market: top 7 companies have 92% market share.
- Other major players: Bao Viet (Sumitomo), Prudential (UK), Manulife

Premium Income of DL Vietnam ⁽¹⁾



■ Initiatives in FY 2017

Expanded market share through the enhancement of the individual insurance agent channel, launch of strategic products, and expansion to alternative channels.

■ Initiatives going forward

We aim for sustainable growth in premium income by strengthening and diversifying sales channels (including strategic business alliance with Vietnam Post and several banks) and developing products catering to market needs.

(1) Fiscal year ends December 31.



Overseas Life Business: Star Union Dai-ichi Life

- Dai-ichi has increased its shareholding in SUD. SUD strengthening the bancassurance channel and individual insurance agents.

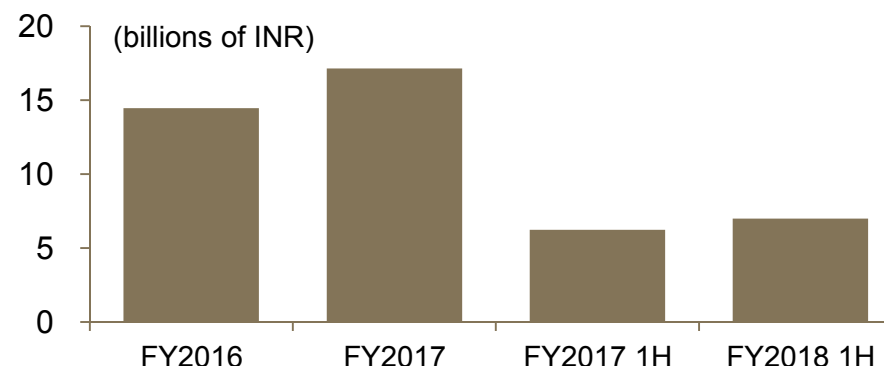
About Star Union Dai-ichi Life

- Established in 2009
- Became affiliate of Dai-ichi in 2009
(Started operation as a JV with Dai-ichi, Bank of India and Union Bank of India)
- Ownership: 45.94%
- No. of Employees: 2,600 (Mar-2018)
- Main office: Mumbai, India
- Main channel: Bancassurance, individual insurance agents, sales reps(fixed salary)
- Main products: Endowment, Annuity
- Market share: 1.8% (Dec-2017, EPI basis, excl. LIC, a government company)
- Market rank: No. 12 (Dec-2017, EPI basis, excl. LIC, a government company)

Insurance Market in India

- Market size (2017):
[Population 1,341 million people,
GDP 2,655 billion USD, Penetration (Life) 2.76%]
(Source) Swiss Re, sigma No 3/2018
- A new market to foreign players: LIC has market share of 44% (Dec-2017, EPI basis)
- Other major players: ICICI Prudential (Pru-UK), SBI Life (Cardif), HDFC Life (Standard Life)

Effective Premium Income of SUD ⁽¹⁾⁽²⁾



■ Initiatives in FY 2017

Enhanced the management of the bancassurance channel with JV partners, started new sales channel (fixed salary sales reps), and strategically shifted the product portfolio for more stable premium income and increased profitability.

■ Initiatives going forward

We plan to expand our premium income base by (a) strengthening relationships with JV partners, (b) introducing a new sales channel, (c) improving the efficiency of individual agents, and (d) introducing measures to improve persistency rate.

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

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



Overseas Life Business: Panin Dai-ichi Life

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

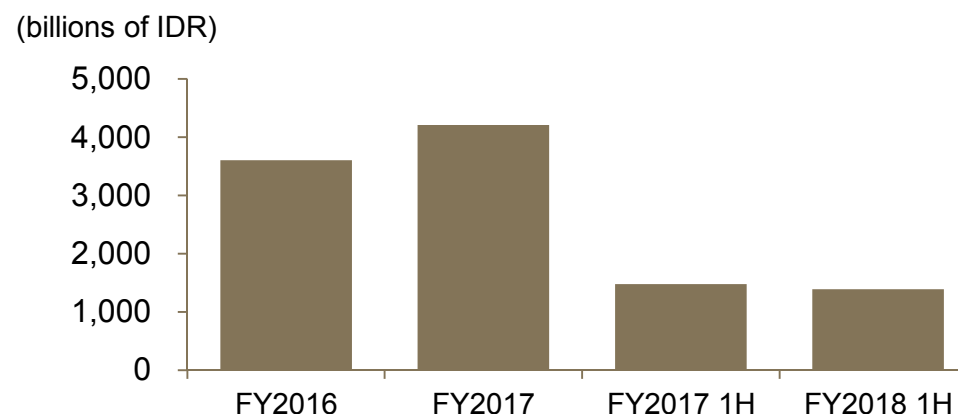
About Panin Dai-ichi Life (PDL)

- Established in 1974
- Became affiliate of Dai-ichi in 2013
- Ownership: 40%
- No. of Employees: 377 (Mar-2018)
5,700 agents (part-time)
- Main office: Jakarta, Indonesia
- Main channel: Bancassurance (mainly with Panin bank), individual insurance agents
- Main products: Investment-linked, unit-linked
- Market share: 2.2% (Dec-2016, premium income basis)
- Market rank: No. 13 (Dec-2016, premium income basis)

Insurance Market in Indonesia

- Market size (2017):
[Population 264 million people,
GDP 1,016 billion USD, Penetration (Life) 1.90%]
(Source) Swiss Re, sigma No 3/2018
- A relatively oligopolistic market: top 10 companies have about 70% market share.
- Other major players: Prudential (UK), INDOLIFE, JIWasRAYA, AIA

Premium Income of Panin Dai-ichi Life ⁽¹⁾



■ Initiatives in FY 2017

In order to achieve sustainable growth, PDL worked on structural reform of its marketing base and on improving sales channel efficiency through strengthening sales support for group banks and training for agents.

■ Initiatives going forward

We aim for structural reform to increase profitability by enhancing both the bancassurance business and individual agents channels through improved recruitment and training programs.

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

Overseas Life Business: Ocean Life



Dai-ichi Life
Holdings

- Strengthening its core individual agency channel for sustainable growth.

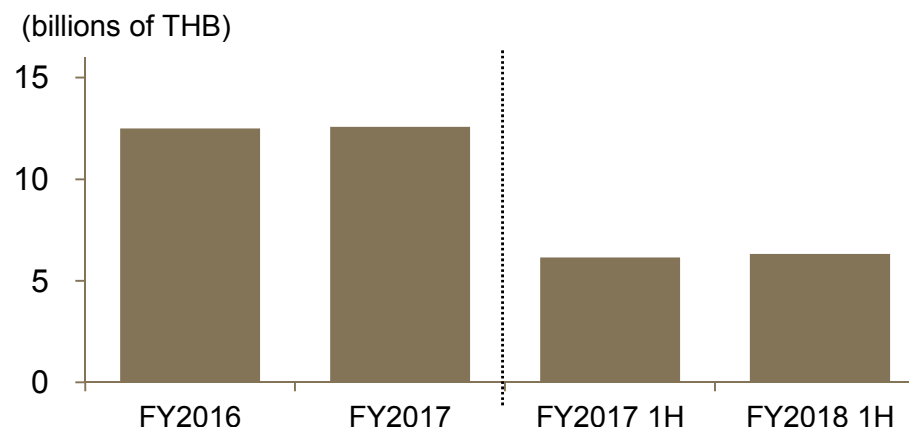
About Ocean Life

- Established in 1949 (Started as P&C company, entered into Life business in 1951, unbundled business in 1992)
- Became an affiliate of Dai-ichi in 2008
- Ownership: 24%
- No. of Employees: 1,889 (Mar-2018)
14 thousand agents (part-time)
- Main office: Bangkok, Thailand
- Main channel: Individual insurance agent
- Main products: Endowment, Whole Life, Annuity
- Market share: 2.2% (Dec-2016, Premium income)
- Market rank: No. 10 (Dec-2016, Premium income)

Insurance Market in Thailand

- Market size (2017):
[Population 69 million people,
GDP 455 billion USD, Penetration (Life) 3.59%]
(Source) Swiss Re, sigma No 3/2018
- An oligopolistic market : Top 10 companies occupy most of the market.
- Other major players: AIA, Muang Thai Life (Ageas), Thai Life (Meiji Yasuda), Bangkok Life (Nippon)

Premium Income of Ocean Life ⁽¹⁾



■ Initiatives in FY 2017

Maintaining a strong recruitment performance since the second half of 2016, strengthening new employee development efforts, establishing basis for future growth (development of job areas, affinity sales with Thai Post Office, investment product development).

■ Initiatives going forward

We will continue to recruit talented personnel with leadership potential for the individual agency channel, strengthen our foundation for future growth in order to achieve sustainable growth.

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

Towards a Sustainable Society

ESG initiatives at Dai-ichi Life Group















Dai-ichi Life
Holdings



Initiatives Towards a Sustainable Society

- Life insurance is a business with high levels of public and social responsibilities, and complements the social security system. At the same time, it is expected that the business maintains stable growth, while taking flexible actions against various changes in the business environment.
- In order to meet these expectations and demands, we identified a number of priority issues to address as a group. We will contribute more than ever to solving social issues by improving quality of life, benefiting the sustainable development of society. At the same time, we will enhance the growth and sustainability of the Group.

Theme	Related Material Issues	Corresponding Pages
1. Promoting Health	 Promote health for all	—
	 Development of cutting-edge technology	—
2. Improving Products and Services	 Stability through insurance	—
	 Sense of security in later life	—
3. Resolving Community Issues	 Building a safe and secure community	67
	 Revitalizing communities	
4. Responsibility as Institutional Investor	 Contribute to society	68-71
5. Creating Friendly Work Environment	 Empowerment of women	72
	 Protect rights of workers	
6. Protecting the Global Environment	 Tackling climate change	73
	 Promoting clean energy Improving energy efficiency	
7. Strengthening Governance	 Improving corporate governance and risk management	74

(Note) Please refer to our website for details on our initiatives for each material issue.

3. Resolving Community Issues Initiatives for Local Communities and Society



Dai-ichi Life
Holdings

- Dai-ichi Life Group makes efforts to build a better society and offer more enriched and comfortable lives through the life insurance business, which has a high social and public profile. Also, we aim to achieve sustainable development together with local communities and society, as a good corporate citizen.
- We will contribute to resolving social issues by providing unique value, such as utilizing our know-how and capabilities, based on the core theme that is compatible with the life insurance business.

Key Initiatives

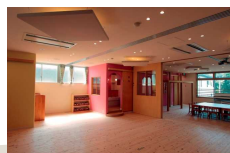
● Contribute to solve local issues through cooperation with Local Governments

The Group Leverages its strength of having approximately 1,400 unit offices and approximately 40,000 Total Life Plan Designers in all 47 prefectures across Japan to solve issues facing each region.



● Attraction of daycare centers to real estate properties owned by the Dai-ichi Life Group

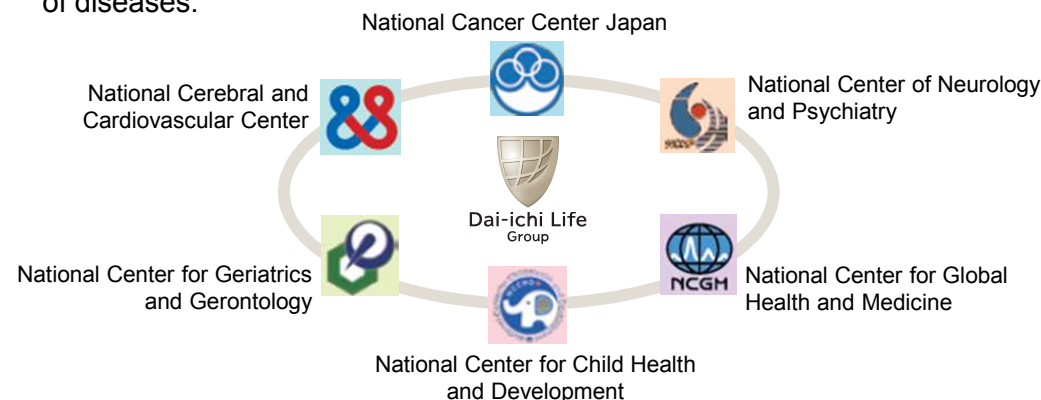
Since 2011, Dai-ichi Life Group has been working to attract daycare and nursing facilities to open in the real estate properties it owns to expand acceptance of children waiting for enrollment in daycare and nursing facilities.



As of April 2018
21 facilities
1,224 children

● Providing information by partnering with national institutions

In cooperation with all national centers, we provide customers a wide range of medical information, including correct knowledge and prevention methods of diseases.



● Continuous support activities at overseas group companies

Through its overseas group companies, we continuously provide support to developing countries, helping them tackle issues such as building infrastructure and raising living standards



Bridge construction site
(Dai-ichi Life Vietnam)



Irrigation Project Support
(Star Union Dai-ichi Life)

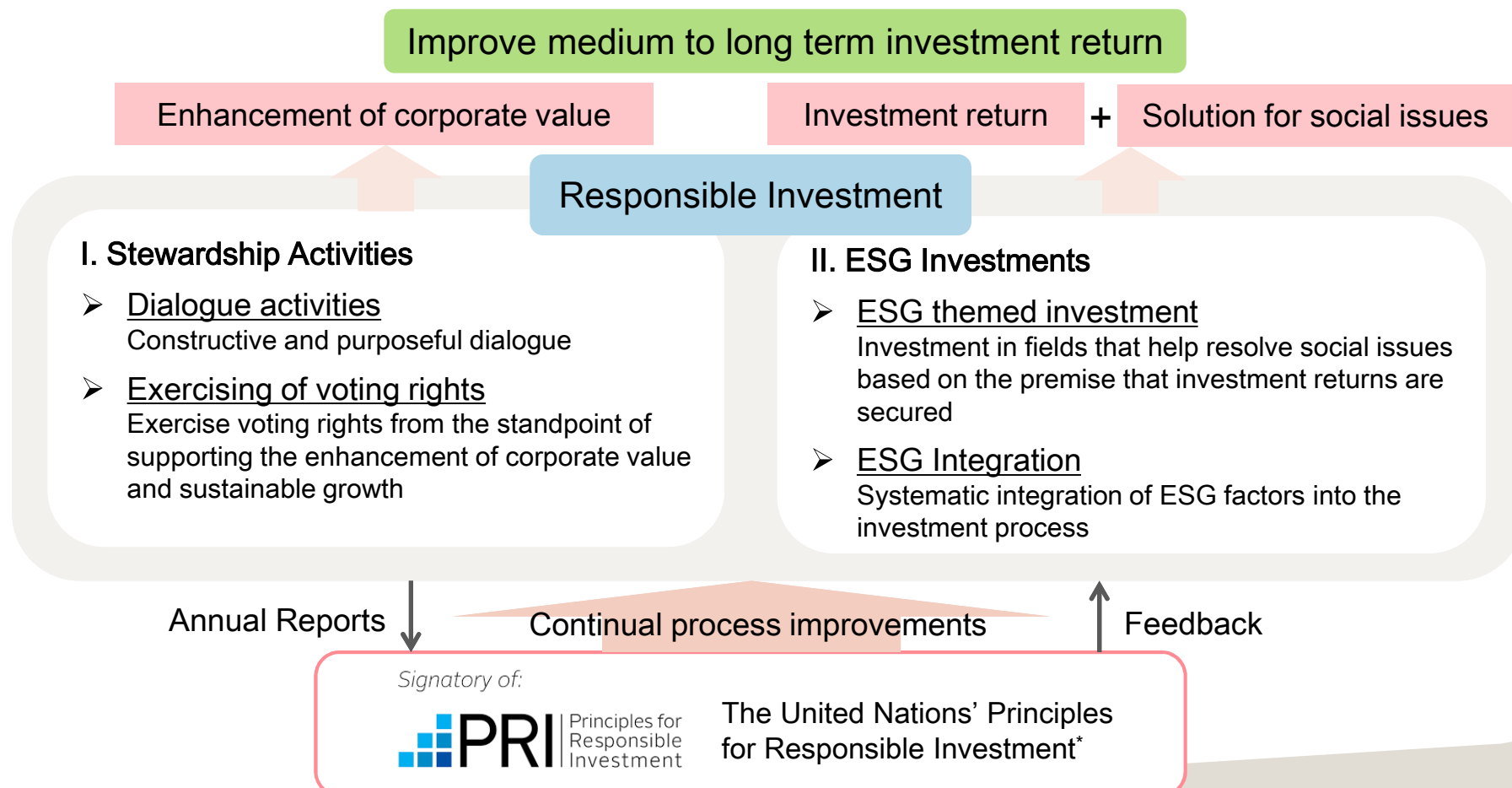
4. Responsibility as Institutional Investor

Dai-ichi Life's Investments: Structure for promoting responsible investment



Dai-ichi Life
Holdings

- Dai-ichi Life actively promotes socially responsible investment (SRI) based on its social responsibility as an institutional investor. Dai-ichi Life's responsible investment consists of "Stewardship activities," which aim to continuously increase the corporate value of the investee companies, and "ESG investments," which contributes to the sustainable development of society while ensuring profitability of investments.
- Also, we aim to continually improve the process of responsible investment through the UN PRI annual review.



(*) Dai-ichi Life had signed the United Nations Principles of Responsible Investment in 2015

4. Responsibility as Institutional Investor

Dai-ichi Life's Investments: Stewardship Activities



Dai-ichi Life
Holdings

- Dai-ichi Life engages actively in stewardship activities that include dialogue with the companies it invests in and the exercising of voting rights. We encourage the companies we invest in to aim for sustainable growth, which helps to increase our equity investment return over the medium to long term.
- We have strengthened our organization by establishing a dedicated organization for stewardship activities, and have worked to improve the effectiveness and transparency of stewardship activities by disclosing the results of exercising voting rights individually.

	FY2014	FY2015	FY2016	FY2017	FY2018	
Engagement organization	Signed Japan's Stewardship Code		Equity Department Stewardship Promotion Group	Responsible Investment Center		
		Strengthening organization		Responsible investment committee		
The number of engagement (companies)		110	233	277	271	230 (planned)
Theme		Improvements in corporate governance, earnings and return on capital and shareholder return				
			Progress on adoption of corporate governance code			
			Dialogue with outside directors			
	Improving effectiveness			ESG dialogue		
					Enhancement of ESG dialogue	
Disclosure of voting results		Disclosure of aggregated voting results				
	Better transparency			Disclosure of all Individual voting results		
				Disclosure of proxy policy		

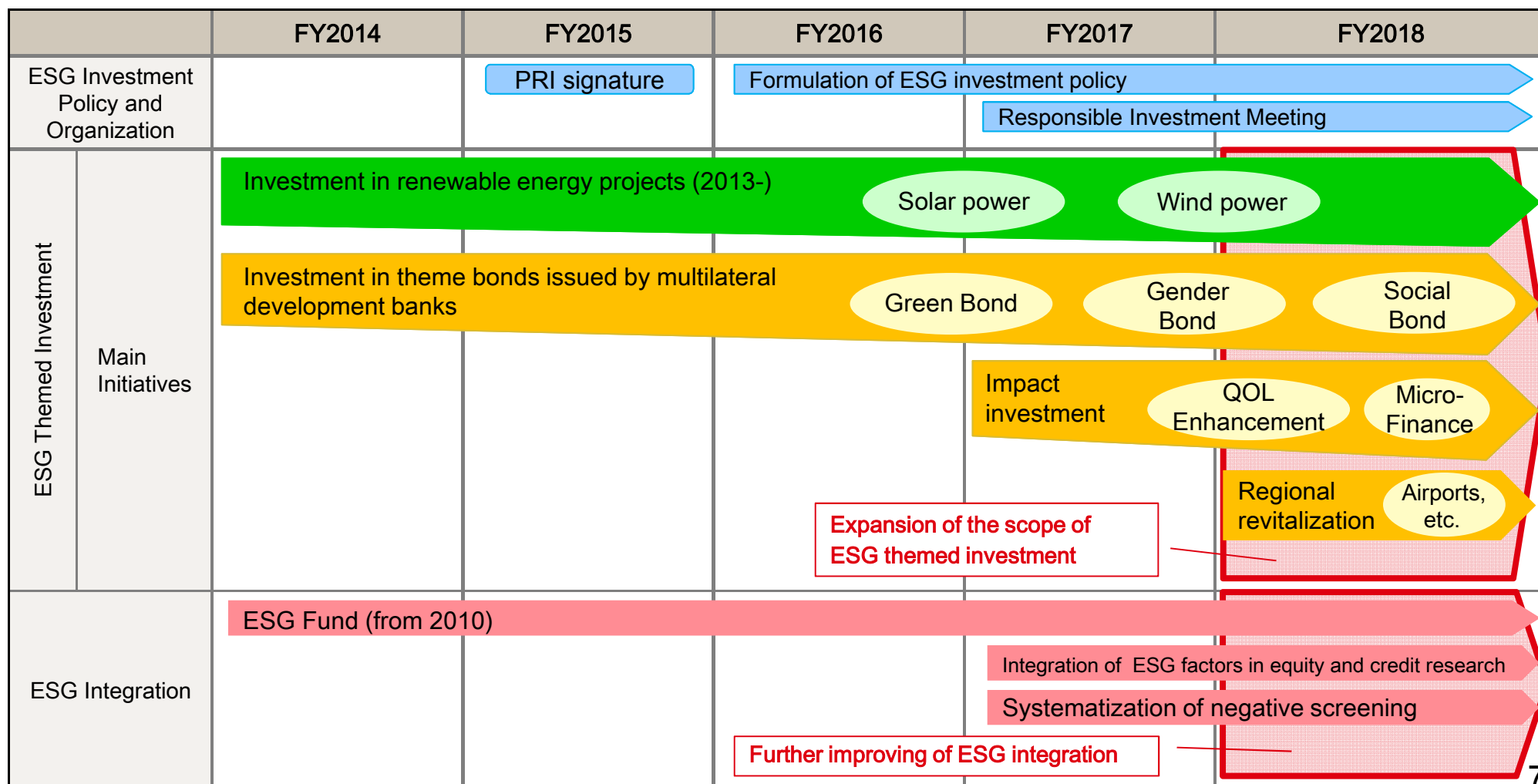
4. Responsibility as Institutional Investor

Dai-ichi Life's Investment Strategy: ESG Investments



Dai-ichi Life
Holdings

- Dai-ichi Life conducts asset management considering profitability, safety, liquidity, and public aspect, and Dai-ichi Life has long been actively promoting ESG investment.
- Since the signing of the PRI in 2015, we have strengthened our system for promoting ESG investment, and are working to improve our processes of ESG themed investment (investment that leads to the resolution of social issues based on profitability) and ESG integration (incorporating ESG factors into the investment process).






4. Responsibility as Institutional Investor

Dai-ichi Life's Investment Strategy: [Reference] Major ESG Investment Cases in FY2018



Dai-ichi Life
Holdings

Released date	Summary	Amount invested
2018/4	<p>[Impact Investment] Investment in Crowdfcredit, Inc.</p> <ul style="list-style-type: none"> Investments in a start-up company which finances businesses in developing countries using crowdfunding services 	JPY 100 million
2018/5	<p>[Impact Investment] Investment in SUSMED, Inc.</p> <ul style="list-style-type: none"> Investments in a start-up company which researches and develops application for treatment of insomnia using smartphones 	JPY 100 million
2018/6	<p>Concluded an agreement with Setagaya Ward on the provision of shared garden space</p> <ul style="list-style-type: none"> During unused hours, we offer the "Dai-ichi Life playground", which we own in Setagaya, Tokyo, as a shared playground for local nursery centers. 	-
2018/8	<p>Investment in Metcela, Inc.</p> <ul style="list-style-type: none"> Investments in a start-up company engaged in research and development of regenerative medicine and other products for heart diseases. <p>(Signed the comprehensive partnership agreement with Institute for Advanced Biosciences, Keio University, aimed at contributing to resolve social issues and develop the society, using advanced science and technology. As part of this partnership, we invested in Metcela.)</p>	JPY 100 million
2018/10	<p>[Impact Investment] Investment in MELTIN MMI</p> <ul style="list-style-type: none"> Investments in a start-up company which developed avatar robots with hands that are most closest to humans in the world. 	JPY 300 million
2018/10	<p>Participate in a Syndicated Loan Concerning the Privatization and Expansion Project of Fukuoka Airport</p> <ul style="list-style-type: none"> Participated in a project finance syndicated loan for one of the largest airport concession projects in Japan conducted by Fukuoka International Airport. 	Non-disclosure

5. Creating Friendly Work Environment Promotion of Diversity & Inclusion



Dai-ichi Life
Holdings

- We are promoting a variety of initiatives based on the belief that inclusion of human capital is the driving force for sustainable growth.
- To create new value, we will accelerate the creation of synergies by leveraging the collective strengths of the Group's human capital, based on the concept of "respecting each other, learning together, and growing together."

Percentage of Female Managers*



April 2018
25.2%

* Total for the Company, including three domestic life insurance companies

Percentage of women in managerial positions reached 25% in Apr. 2018
Aiming for 30% in 2020



- Further expand global talent exchange
- Participation of overseas CEOs in group management



Certified "Company Empowering the Disabled"
(Dai-ichi Life Challenged) (2017)



Top Gold Rating on PRIDE Index
Evaluation of LGBT Initiatives (2017)



Maximize expertise & experience



Incorporate values and ideas of the younger generation



健康経営銘柄
Health and Productivity

Health & Productivity
Stock Selection (2015)

Achieve
Management
Objectives

Realize Sustainable
Growth

6. Protecting the Global Environment

Initiatives for Protecting the Global Environment



Dai-ichi Life
Holdings

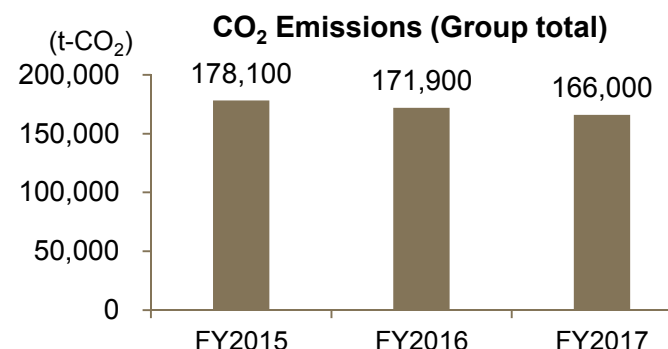
- Dai-ichi Life Group has its sights on environmental protection by adopting “Dai-ichi's Social Responsibility Charter⁽¹⁾”.
- We have established the Group Action Principles for Environmental Initiatives⁽²⁾ and collectively working on protecting environment, contributing to social and economic development, achieving harmony with the global environment and the building sustainable society.

Key Initiatives

● Reducing CO₂ Emissions

To help prevent global warming, Dai-ichi Life Group is taking steps to cut its greenhouse gas emissions that include reducing energy use in its business activities. We have set a target of a 1% year-on-year reduction in total emissions as the Group, and also have set medium to long term targets as the Dai-ichi Life non-consolidated. We are working as a united group to achieve these targets.

Targets	
Dai-ichi Life Group	1% reduction (YoY)
Dai-ichi Life	Medium term: 40% reduction* (FY2030) Long term: 70% reduction* (FY2050) *compared to FY2013 level



✓ **Support Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)**

We support the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”)⁽³⁾ which has been established by the Financial Stability Board (FSB).

In addition to reducing environmental impact and ESG investment, the Dai-ichi Life Group will deepen the analysis of the risks and opportunities that influence life insurance and asset management businesses. Namely, impacts of natural disasters as a result of climate change and influence of infectious diseases on human life and health as well as the impact on economy and society due to policy changes accompanying the transition to a low-carbon society. Additionally, we will share more disclosures based on the recommendations proposed by TCFD.

(3) TCFD proposed recommendations on voluntary climate-related financial information disclosures.

(1) Important values that serve as a guide to employee behavior. For details, please refer to our website.



(2) For information on the Group Action Principles for Environmental Initiatives, please refer to our website.

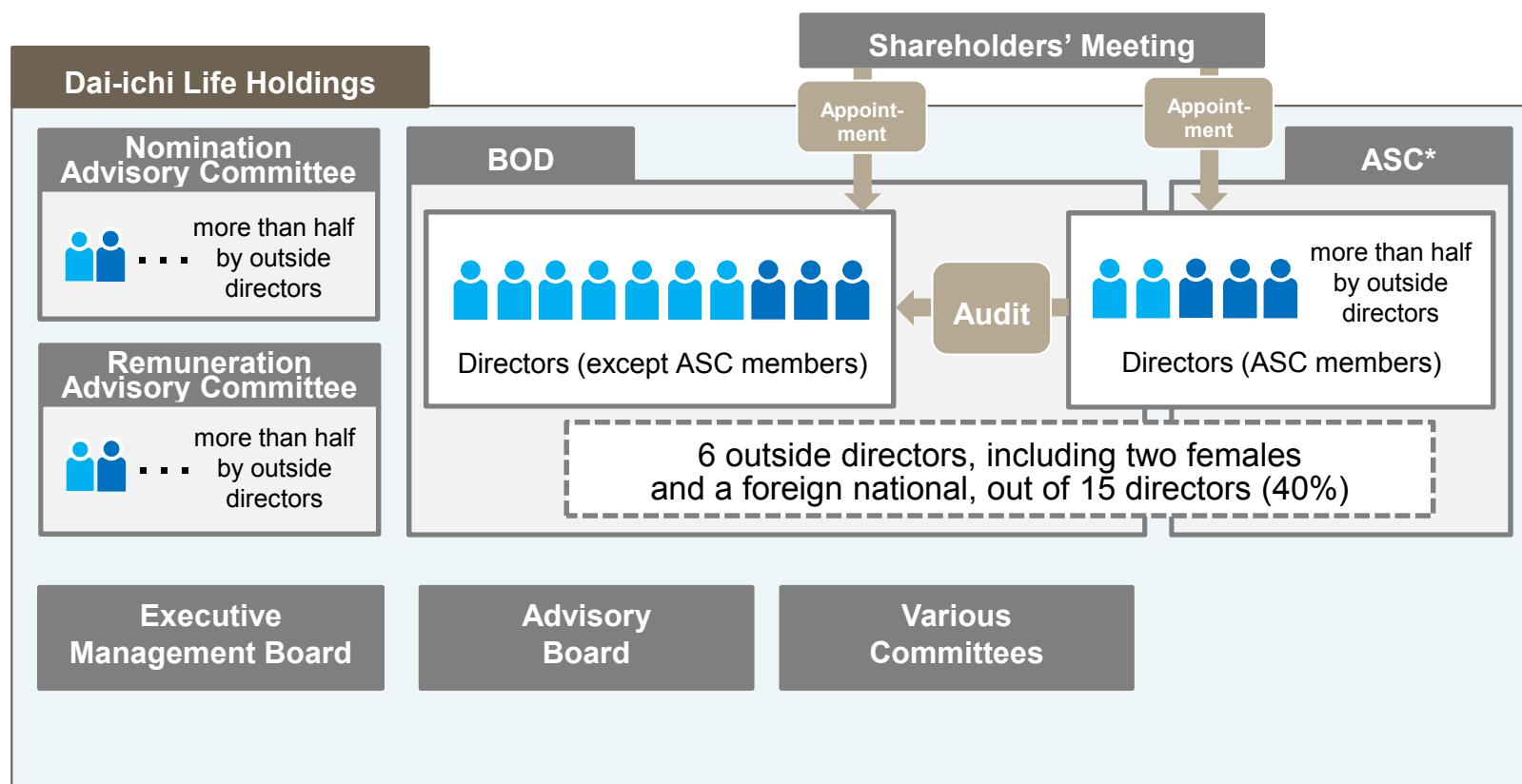
7. Strengthening Governance

Governance Structure at Dai-ichi Life Holdings



Dai-ichi Life
Holdings

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



*Audit & Supervisory Committee



[Reference] Equity Holdings for Specific Purpose

Equity Holdings Other Than for the Purpose of Investment

- The Company holds shares held for strategic purposes, not for pure investment purposes, that carry other important purposes in terms of the Group's business strategies, such as strengthening relations through business alliances.
- Group companies examine their individual listed shares held for strategic purposes and review the appropriateness of purposes of holding such shares at their Board of Directors meetings every fiscal year. The shareholdings for strategic purposes shall be sold in case the appropriateness or rationale of holding such shares, either in terms of strategic holding or for investment purposes, is not confirmed.

- Equity holdings other than for the purpose of investment (as of March 2018)

Number of companies	10
Carrying Amount	138.1 billion yen

- Equity Holdings for Specific Purpose

Company	Shares (thousand)	Carrying amount (billions of yen)
Resona Holdings, Inc.	125,241	72.6
Mizuho Financial Group, Inc.	255,691	49.6
Sompo Holdings, Inc.	3,688	15.1



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



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



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

Accounting practice comparison



Dai-ichi Life
Holdings



Comparison of Accounting Standards

	Accounting items	IFRS		J-GAAP	US-GAAP
		General accounting	Variable fee		
BS	Policy reserve matching bond	Fair value		Book value	Fair value
	Unlisted stocks	Fluctuates net assets	Limited fluctuation in net assets (Note 1)	Book value	
	Insurance liabilities			Locked at underwriting	
PL	Insurance revenue	Consideration for insurance coverage (Deposit components are excluded)		Premium and other income	Premium (Deposit components are excluded)
	Gain or loss from sales of stocks	Reported in other comprehensive income		Reported in PL	Reported in PL
	Unrealized gain or loss due to forex	Reported in PL		Reported in OCI	Reported in OCI
	Unrealized gain or loss on investment funds and mutual funds	Fluctuates net assets	Limited fluctuation in net assets (Note 1)	Reported in OCI	Reported in PL
	Unrealized gain or loss on stocks	Reported in OCI		Reported in OCI	Reported in PL

(Note 1) Under the variable fee model, any change in value of balance sheet items due to fluctuations in interest rates or foreign exchange shall be reflected in insurance liabilities., while investment gain or loss on income statement shall be accounted in same installment as insurance contracts.



Comparison of Accounting for Policy Reserves

	IFRS		J-GAAP	US-GAAP
	General accounting	Variable fee		
Assumptions	Updated in every term Reflected in Contractual Service Margin	Updated in every term Reflected in Contractual Service Margin	Fixed at underwriting	Locked-in (Updated if there is possible unfavorable changes in assumptions)
Discount rates	Updated in every term Reflected in cash flows		None	Expected yield on assets
Acquisition costs	No (included in the measurement of the cash flows)		Expensed as incurred	Deferred and amortized
Risk	None (Explicit adjustment)		Contingent reserves	Risk margin (implicit)
Policyholder dividends	Included in cash flow ※dividend based on company's discretion shall be reflected in contractual service margin	Included in cash flow ※Shall be reflected in contractual service margin	Recorded in income statement as policyholder dividend reserve as reviewed by actuaries	
Price fluctuation reserve	None		Included in liabilities	None

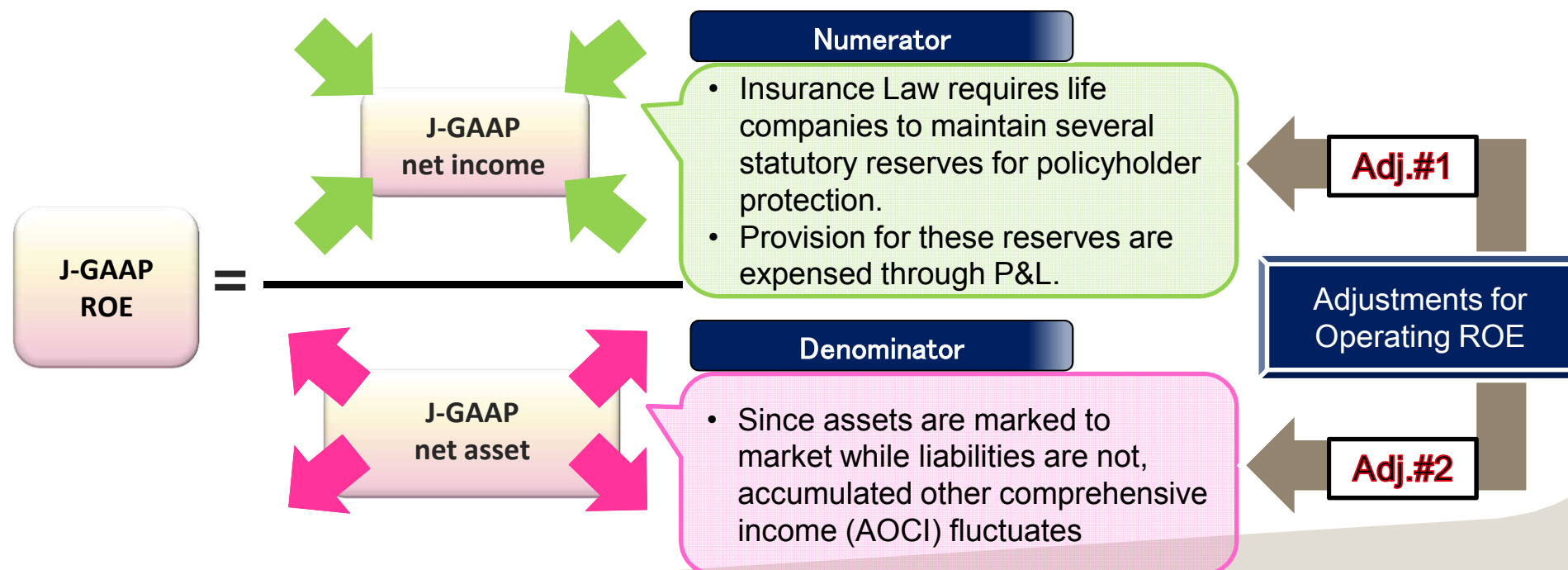


Operating ROE

Our recognition of capital efficiency indicators

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

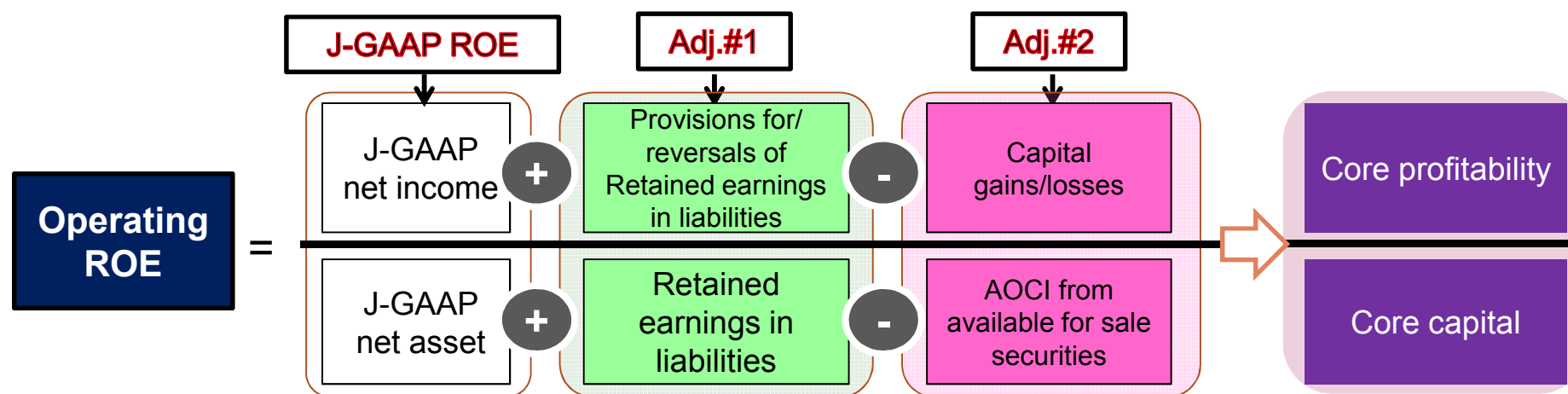
Issues with J-GAAP ROE



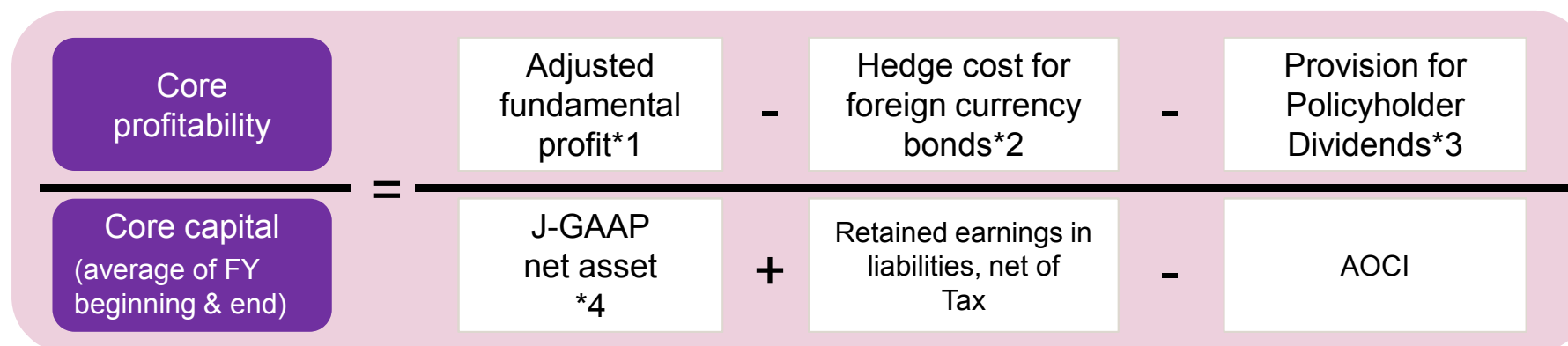


Operating ROE - Definition

Definition - conceptual



Detailed definition



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

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

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

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

Operating ROE - Trends



Dai-ichi Life
Holdings

(Fiscal years, billions of yen)

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Fundamental Profit (Group)	451.1	531.1	557.2	528.6	573.8
(-) Provision for (reversal of) reserve associated with GMMB and others	(6.4)	(1.7)	(31.7)	(2.8)	4.7
Adjusted Fundamental Profit (Group)	457.5	532.8	589.0	531.4	569.0
(-) Foreign exchange losses	19.9	38.0	53.8	81.0	75.0
(-) Provision for policyholder dividends	94.0	112.2	97.5	85.0	95.0
(-) Provision for (reversal of) reserve not associated with GMMB and others	-	-	(0.1)	(0.4)	(0.2)
(-) Others	-	-	(2.1)	(11.5)	(0.5)
(-) Tax effect equivalent of above items and others	105.2	103.0	121.0	102.4	114.7
[NUMERATOR] Core profitability	238.4	279.6	318.9	274.9	285.0

Total Net Assets (FY end)	1,947.6	3,589.9	2,932.9	3,137.2	3,749.2
(-) Subscription rights to shares	0.5	0.7	0.9	1.2	1.3
(-) Minority interest	-	-	-	-	-
(-) Total accumulated other comprehensive income	1,318.4	2,559.4	1,802.6	1,835.2	2,158.3
Total Net Assets (after above items)	628.5	1,029.6	1,129.2	1,300.7	1,589.6
(+) Retained earnings in liabilities, net of tax	557.8	616.5	644.1	672.4	699.1
Core capital (FY end)	1,186.4	1,646.1	1,773.3	1,973.2	2,288.8
[DENOMINATOR] Core capital (average of FY beginning & end)	1,119.0	1,416.2	1,709.7	1,873.2	2,131.0

Operating ROE	21.3%	19.7%	18.7%	14.7%	13.4%
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(Note) Core profitability is an indicator after adjustments to reflect some issues with the numerator of J-GAAP ROE, and are different from profit attributable to shareholders. Figures of "Fundamental Profit" represent those based on the previous disclosure format.

About Dai-ichi Life



Dai-ichi Life
Holdings

The Dai-ichi Group at a Glance



Dai-ichi Life
Holdings

1st mutual life insurance company established in Japan (1902) and **1st** major Japanese life insurance company to go public (2010)

2nd largest life insurance company in Japan in terms of premium and other income: US\$45bn¹ for the fiscal year ended March 2018

Sustainable and strong growth of net income: US\$3,425mm¹ for the fiscal year ended March 2018

Three growth engines: Domestic Life Insurance, Overseas Life Insurance and Asset Management

Solid strategy and operating performance in growth areas of Domestic Life Insurance

First mover in global expansion: Large geographical footprint in 7 countries

First-class asset management and ERM capability

Strong credit fundamentals and ratings:
S&P: A+
Moody's: A1
Fitch: A+

(Note) Ratings of Dai-ichi Life as of the end of April 2018.

Transition to a holding company structure to promote our multi-brand strategy and maximize our group's capabilities

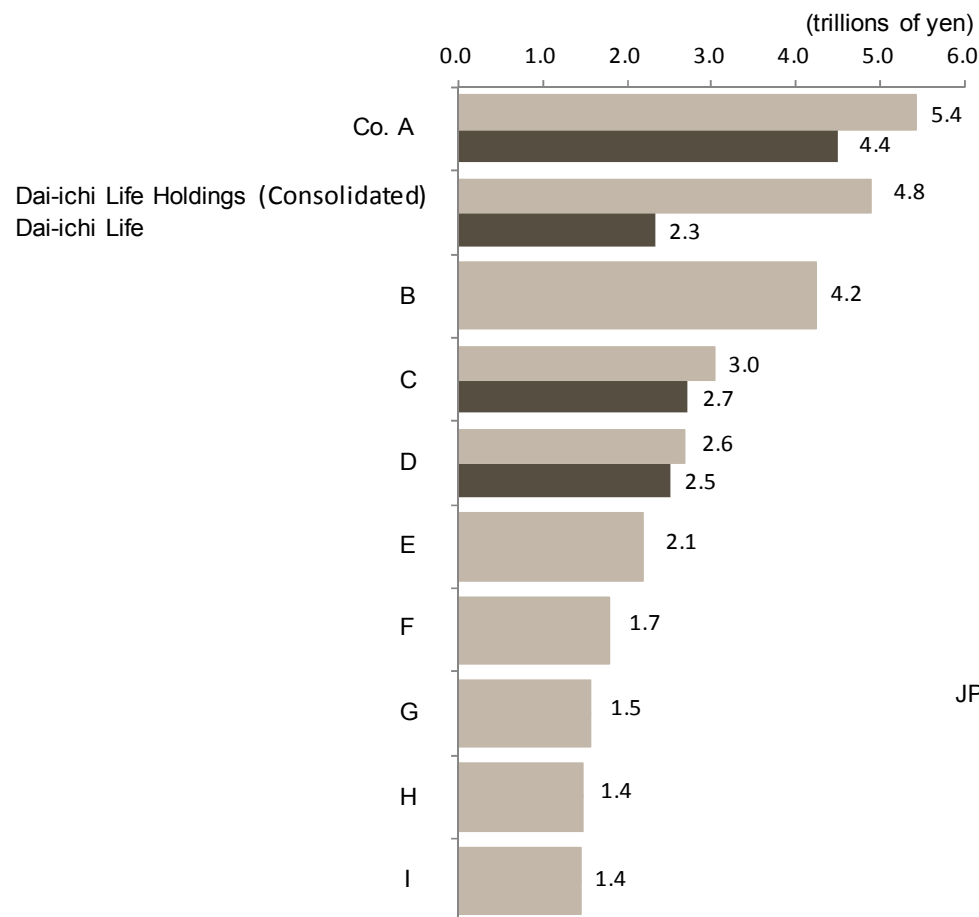
¹ JPY/USD=106.24

Dai-ichi Group Overview



Dai-ichi Life
Holdings

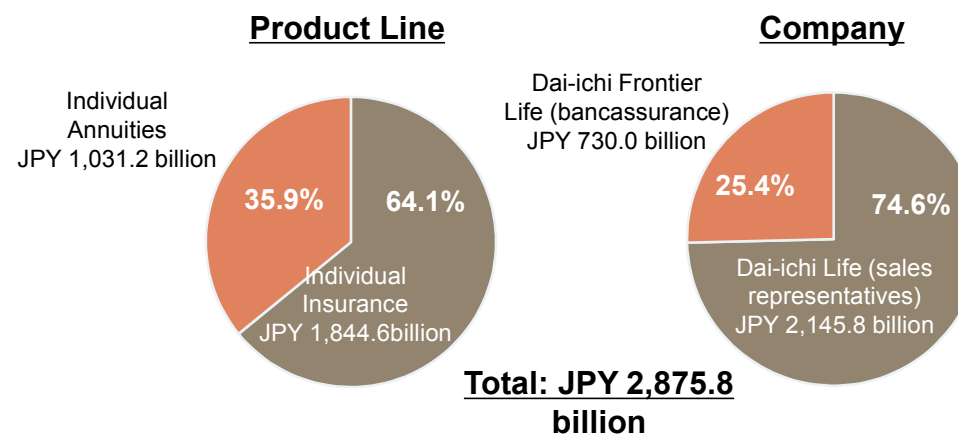
Life Insurance Premium and Other Income⁽¹⁾



Key Statistics⁽²⁾

Premium and Other Income (Consolidated, JPY in Billions)	4,884.5
Total Assets (Consolidated, JPY in Billions)	53,603.0
Group European Embedded Value (JPY in Billions)	6,094.1
Sales Representatives (Dai-ichi Life) ⁽³⁾	44,626
Solvency Margin Ratio (Dai-ichi Life)	881.8%
Insurer Financial Strength Rating ⁽⁴⁾ (S&P / Moody's / Fitch)	A+ / A1 / A+

Annualized Net Premium (ANP) from Policies in Force⁽⁵⁾



Source: Public disclosures of each company

(1) For the fiscal year ended March 31, 2018.

(2) As of or for the fiscal year ended March 31, 2018 unless otherwise noted.

(3) The number of sales representatives does not include employees who have licenses to sell insurance products but are engaged mainly in sales supportive functions.

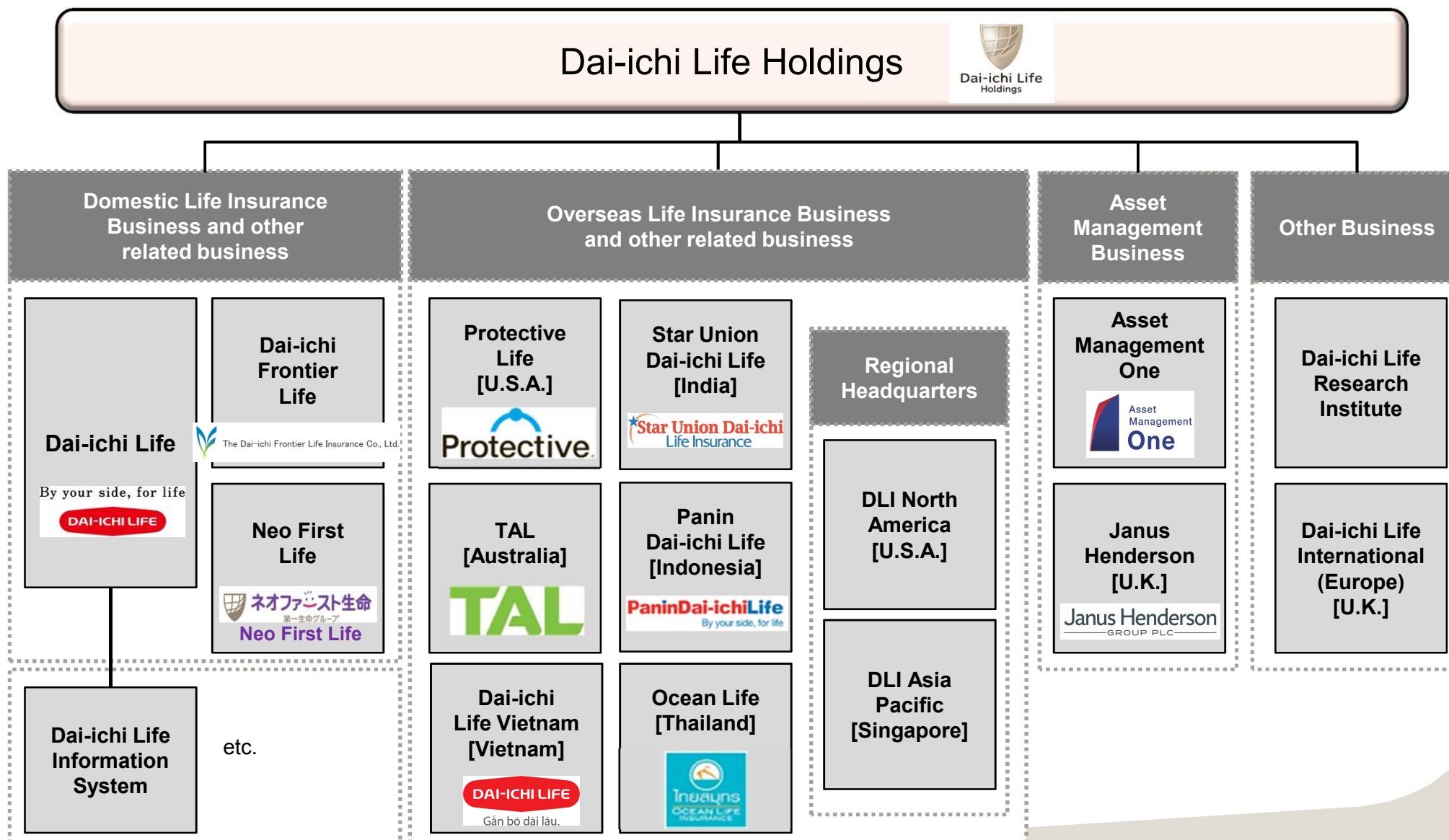
(4) Ratings of Dai-ichi Life as of end of April 2018.

(5) As of March 31, 2018. Individual business only. Dai-ichi Life + Dai-ichi Frontier Life.

Dai-ichi Life Holdings: Group Structure

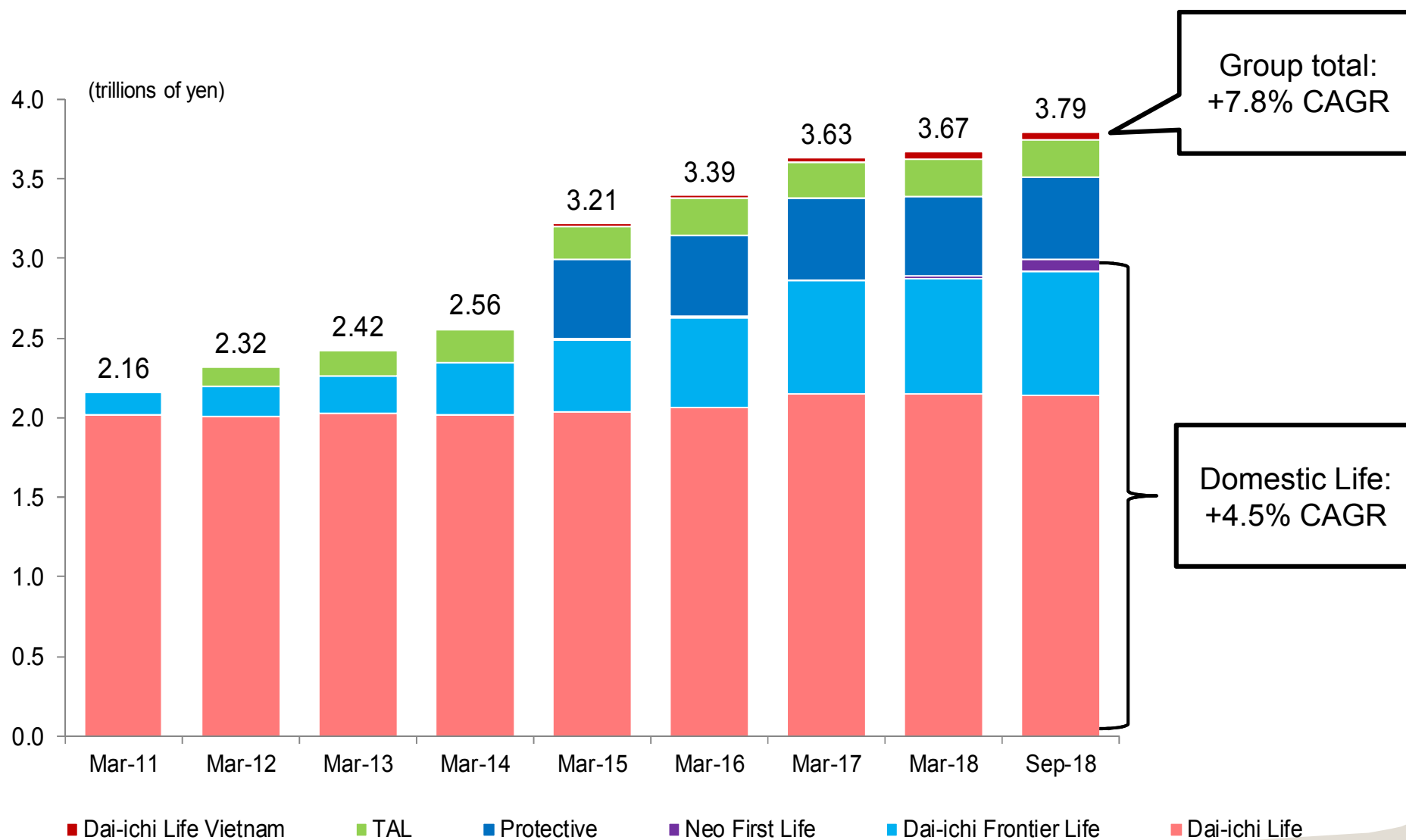


Dai-ichi Life
Holdings





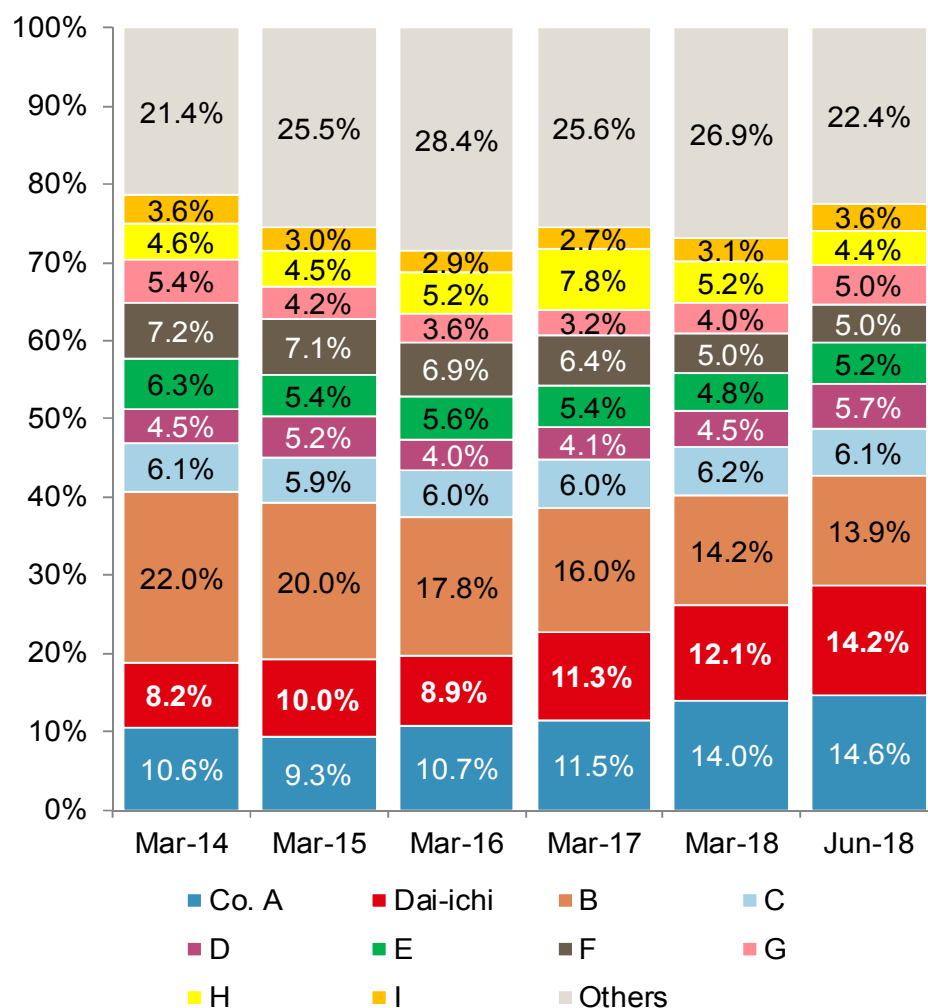
Trends in In-force Annualized Net Premium



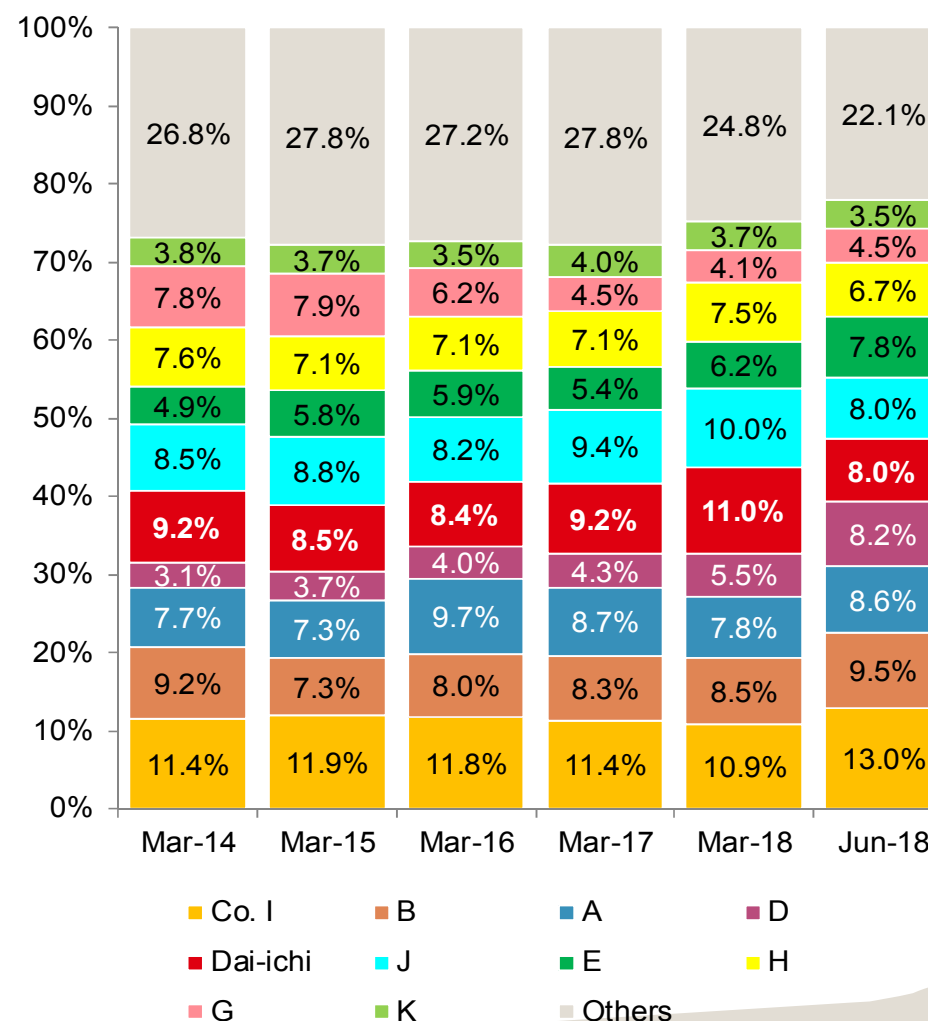


Market Share in New Business Annualized Net Premium

Share in New Business ANP



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

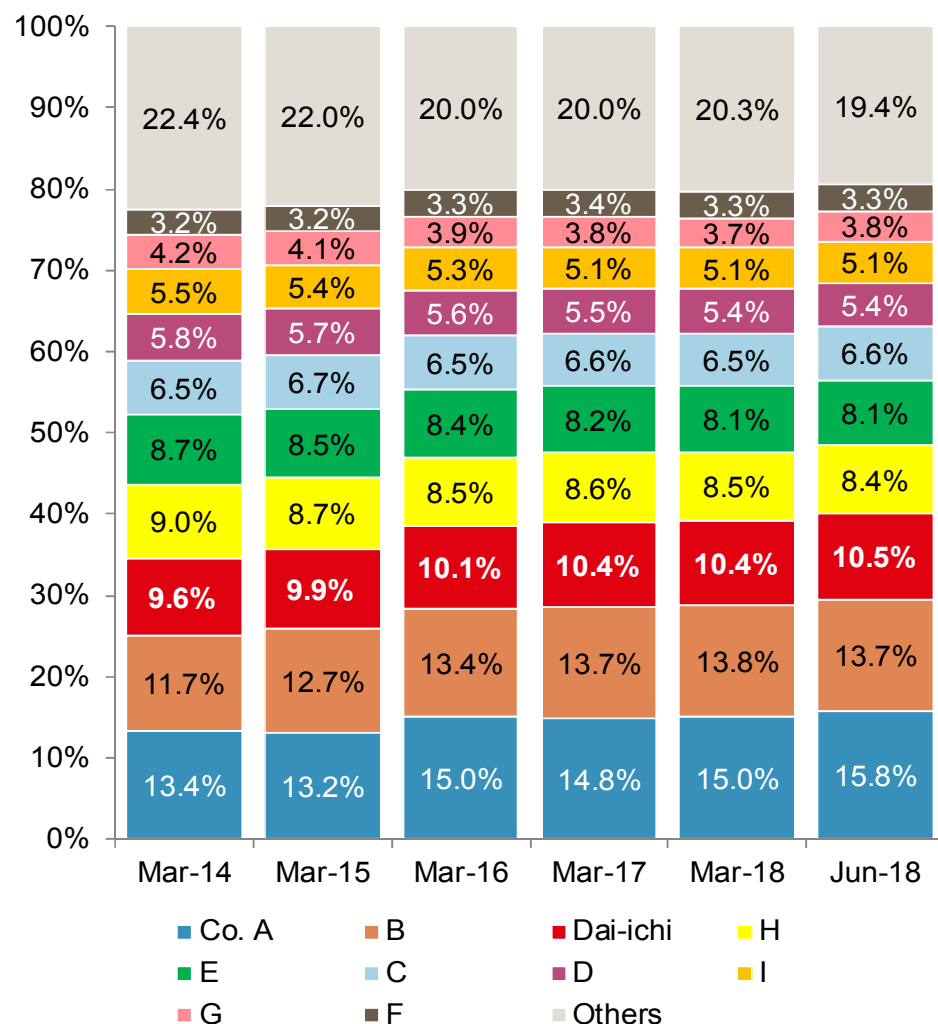


(Source) Company disclosures and Life Insurance Association of Japan.

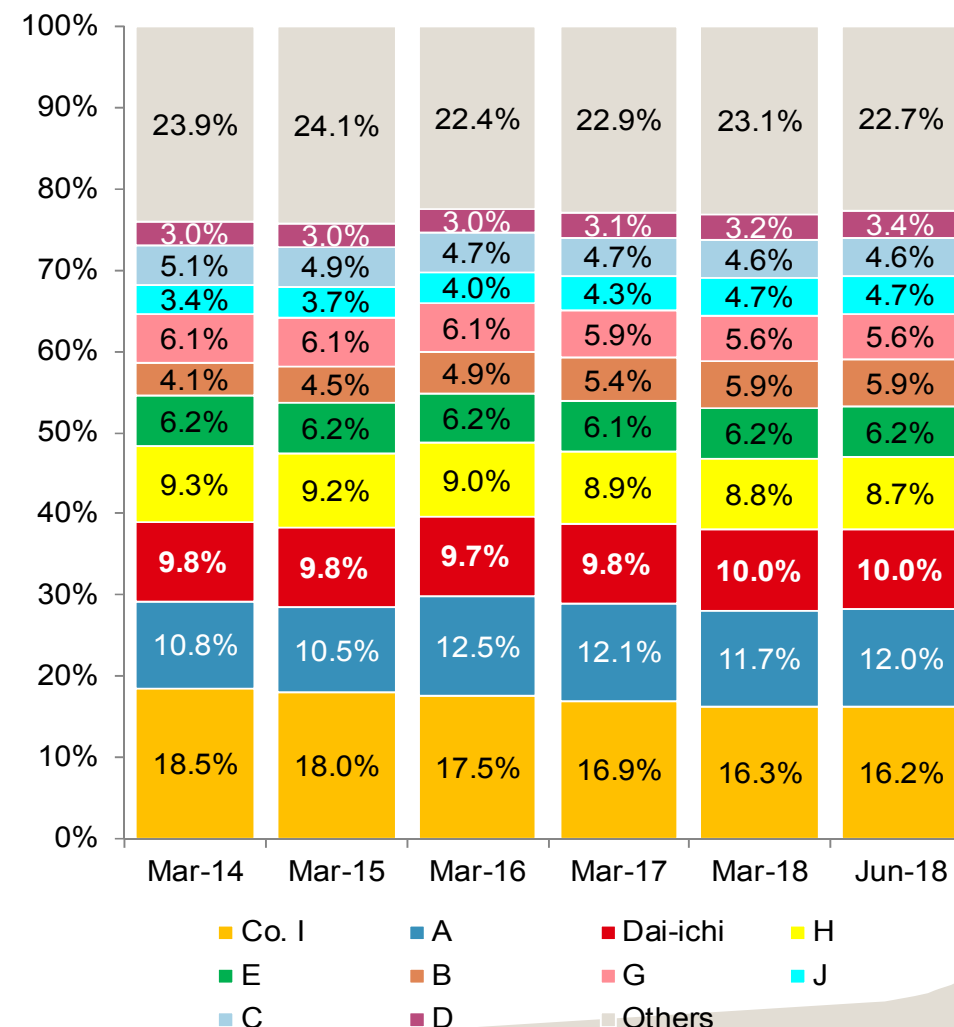


Market Share in In-Force Annualized Net Premium

Share in In-force ANP



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



(Source) Company disclosures and Life Insurance Association of Japan.

Group Adjusted Profit



Dai-ichi Life
Holdings

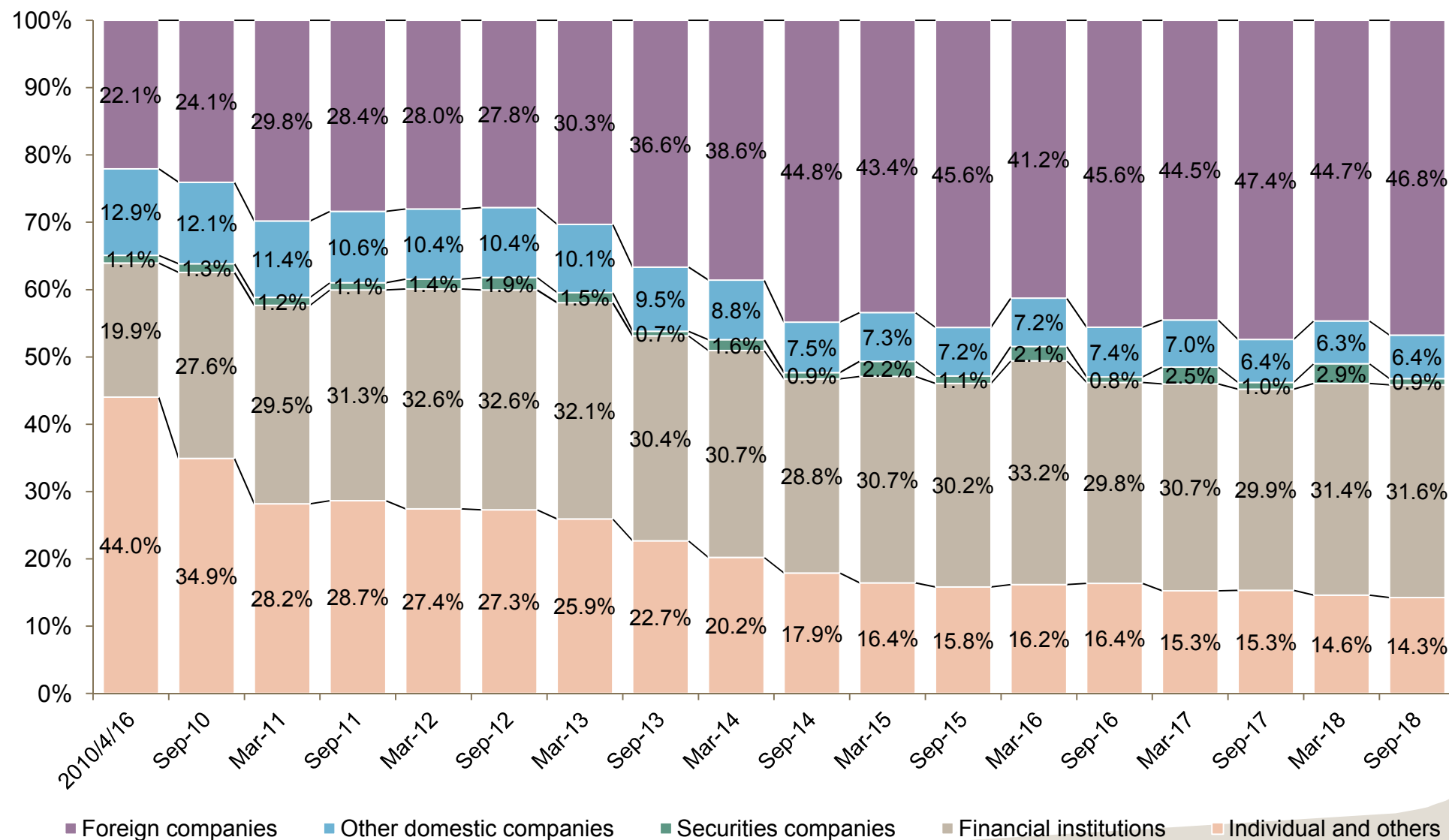
(billions of yen)

Items				Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
	Domestic Life Insurance Business								
1	Dai-ichi Life	Net income		51.4	85.5	152.1	129.1	117.1	169.9
2		Adjustment (1)	Provision for contingency reserve (in excess of statutory amount, net of tax)	49.9	24.9	19.2	12.9	12.9	—
3		Adjustment (2)	Provision for price fluctuation reserve (in excess of statutory amount, net of tax)	—	9.7	—	—	—	—
4		Adjustment (3)	Gains or losses on accounting for market value adjustment, net of tax	0.0	(0.6)	(0.2)	(0.4)	(0.2)	(0.0)
5		Sub-total		49.9	34.0	18.9	12.5	12.7	(0.0)
6		Adjusted net profit		101.3	119.5	171.1	141.6	129.9	169.8
7	Dai-ichi Frontier Life	Net income		(26.5)	(15.2)	(21.9)	24.3	50.2	37.0
8		Adjustment (1)	Provision for contingency reserve (in excess of statutory amount, net of tax)	15.3	—	—	—	—	—
9		Adjustment (2)	Provision for price fluctuation reserve (in excess of statutory amount, net of tax)	—	—	—	—	—	—
10		Adjustment (3)	Gains or losses on accounting for market value adjustment, net of tax	0.1	(0.9)	46.9	7.5	(27.0)	(7.9)
11		Sub-total		15.4	(0.9)	46.9	7.5	(27.0)	(7.9)
12		Adjusted net profit		(11.1)	(16.1)	24.9	31.8	23.2	29.1
13	Neo First Life	Net income		—	—	0.4	(7.1)	(5.9)	(8.3)
14		Adjusted net profit		—	—	0.4	(7.1)	(5.9)	(8.3)
15	Adjusted profits of domestic life insurance business			90.2	103.4	196.6	166.4	147.1	190.6
	Overseas Insurance Business								
16	Protective Life	Adjusted net profit		—	—	—	32.3	45.7	34.9
17	TAL	Adjusted net profit		8.9	8.6	12.1	10.3	12.7	10.5
18	Adjusted profits of overseas insurance business			9.8	10.8	15.7	45.7	61.5	46.8
19	Asset Management Business	Adjusted net profit		1.8	4.4	6.1	5.9	5.8	5.3
20	Holding company	Adjusted net profit		—	—	—	—	0.0	0.3
21	Consolidation adjustment	Adjustment (1)	Dividends from subsidiaries and affiliates	1.7	2.7	3.6	13.5	4.4	—
22		Adjustment (2)	Amortization of goodwill	3.8	5.1	8.6	6.3	5.6	7.0
23		Adjustment (3)	Gains on change in equity	—	—	—	—	(12.4)	(33.5)
24		Adjustment (4)	Impact of U.S. Tax change	—	—	—	—	—	(90.1)
25		Adjustment (5)	Others	(1.4)	(0.1)	(2.2)	(0.3)	0.0	3.9
26	Group Adjusted Profits (Items 26= 15 + 18 + 19 + 20 – 21)			100.0	116.0	214.7	204.6	210.1	243.2
27	Consolidated net income (Items 27= 26 – 5 – 11 – 22 – 23 – 24 – 25)			32.4	77.9	142.4	178.5	231.2	363.9

Shareholder Structure



Dai-ichi Life
Holdings





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