News Release
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Dai-ichi Life Holdings

[Unofficial Translation]

April 1, 2020

Update on Group Adjusted Profit for the Fiscal Year Ended March 31, 2020 and Economic Solvency Ratio Based on the Current Financial Environment

Dai-ichi Life Holdings, Inc. (the "Company"; President: Seiji Inagaki) hereby announces an update on group adjusted profit for the fiscal year ended March 31, 2020 (FY2019) and economic solvency ratio based on the current financial environment.

Ⅰ. Group Adjusted Profit Outlook for the Fiscal Year Ended March 31, 2020

Today, the Company announced a revision to its consolidated ordinary profit and net income forecasts as stated in the news release titled, "Revision of Consolidated Earnings Forecast and Notice on Recognition of Non-consolidated Extraordinary Losses for the Fiscal Year Ended March 31, 2020." The Company, however, maintains its initial group adjusted profit (source for shareholder returns) forecast of approximately 240 billion yen for the fiscal year ended March 31, 2020.

This revision reflects factors which include accrual of policy reserves[1*] resulting from market value adjustments (MVA) at The Dai-ichi Frontier Life Insurance Co., Ltd. (DFL) derived from a steep drop in overseas interest rates, as well as equity method losses from one-time amortization of goodwill on Janus Henderson Group plc (listed on the New York Stock Exchange) due to a fall in its stock price.

On the other hand, at The Dai-ichi Life Insurance Company, Limited (Dai-ichi Life), effective hedging to reduce market risk helped to limit the impact on our profit amid a drastic financial market plunge we currently face. In addition, profit for Protective Life Corporation (U.S. based subsidiary) exceeded our initial forecast.

Based on these circumstances, we expect to achieve our initial group adjusted profit (cash-flow based profitability KPI) forecast of 240 billion yen announced on May 15, 2019. In terms of shareholder returns, we maintain our initial targets for both total payout ratio (40% based on group adjusted profit) and shareholder dividends (62 yen per share, an increase of 4 yen from the previous fiscal year).

1* Market value adjustments (MVA) are applied to certain products sold by DFL to reflect price fluctuations of assets under management to surrender values. In terms of liabilities, MVA applied products account for the higher of surrender values or value of policy reserves determined by assumed interest rate. Accrual of policy reserves occur when surrender values are in excess of policy reserves when interest rate declines. As a basic practice DFL matches duration of investment assets and liabilities, while policy reserves accrued during the fiscal year will be reversed over the term to maturity, ultimately breaking even on an accounting basis.

Currently, the novel coronavirus is spreading on a global scale. However, at this time, we believe there is a limited direct impact on our group performance for the fiscal year ended March 31, 2020.

Going forward, we will continue to monitor the situation and make necessary announcements regarding the impact on our performance or business operations.

Ⅱ. Economic Solvency Ratio (Preliminary Estimate)

To secure high financial soundness, the Company set forth an economic solvency ratio (ESR) target range of “170% to 200%” as part of its medium term management plan “CONNECT 2020.” We estimate that ESR was within this range during March 2020 in an extremely volatile financial environment. As of March 31, 2020, ESR secured a level of above 170%.

ESR at this level of soundness not only reflects our efforts to diversify our business by expanding overseas, but also a diversified investment portfolio at Dai-ichi Life and our capability to manage our assets under market fluctuations with effective risk-hedging operations.

Dai-ichi Life has continued efforts to mitigate market risks that involve interest rates and stock prices. In FY2019, foreseeing that low domestic interest rates will likely persist, we reduced interest rate risk by lengthening duration through purchasing super-long-term bonds and utilizing derivatives. In addition, while we reduced our equity holdings according to our plan, we strategically ceded insurance blocks with high assumed rates to reinsurers. These efforts are aimed at reducing our vulnerability to financial market fluctuations.

It is expected that global financial markets will continue to be unstable. We will take measures to mitigate market risks a further step to stabilize ESR. Specifically, we aim for approximately 20% reduction (compared to the end of FY2019) in economic value based interest rate and equity risks by the end of FY2023 with the intention to reduce group EEV sensitivity to market interest rates and equity value movements by approximately 20%.

Please refer to the following reference materials for further details.

Reference

April 1, 2020

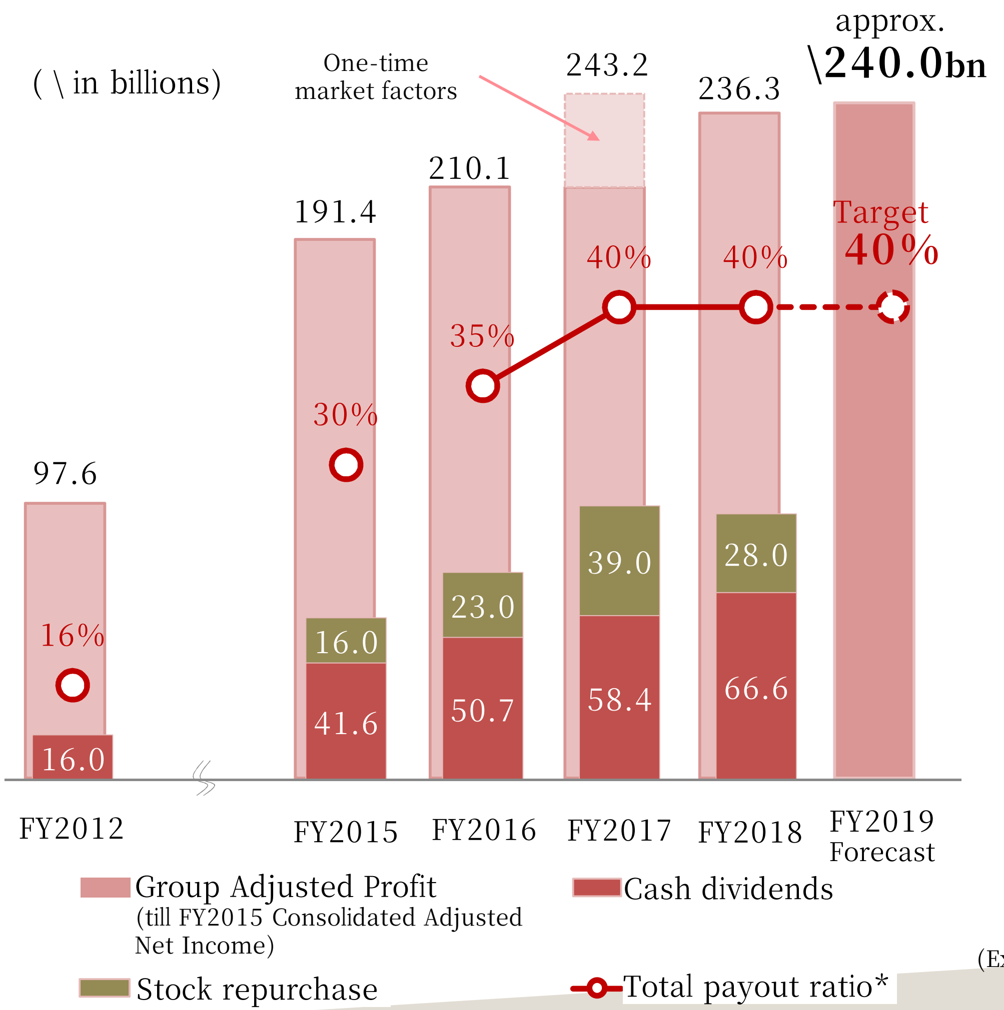
Dai-ichi Life Holdings, Inc.

Group Earnings Forecast and Shareholder Returns for the Fiscal Year Ended March 31, 2020 (FY2019)

Dai-ichi Life Holdings

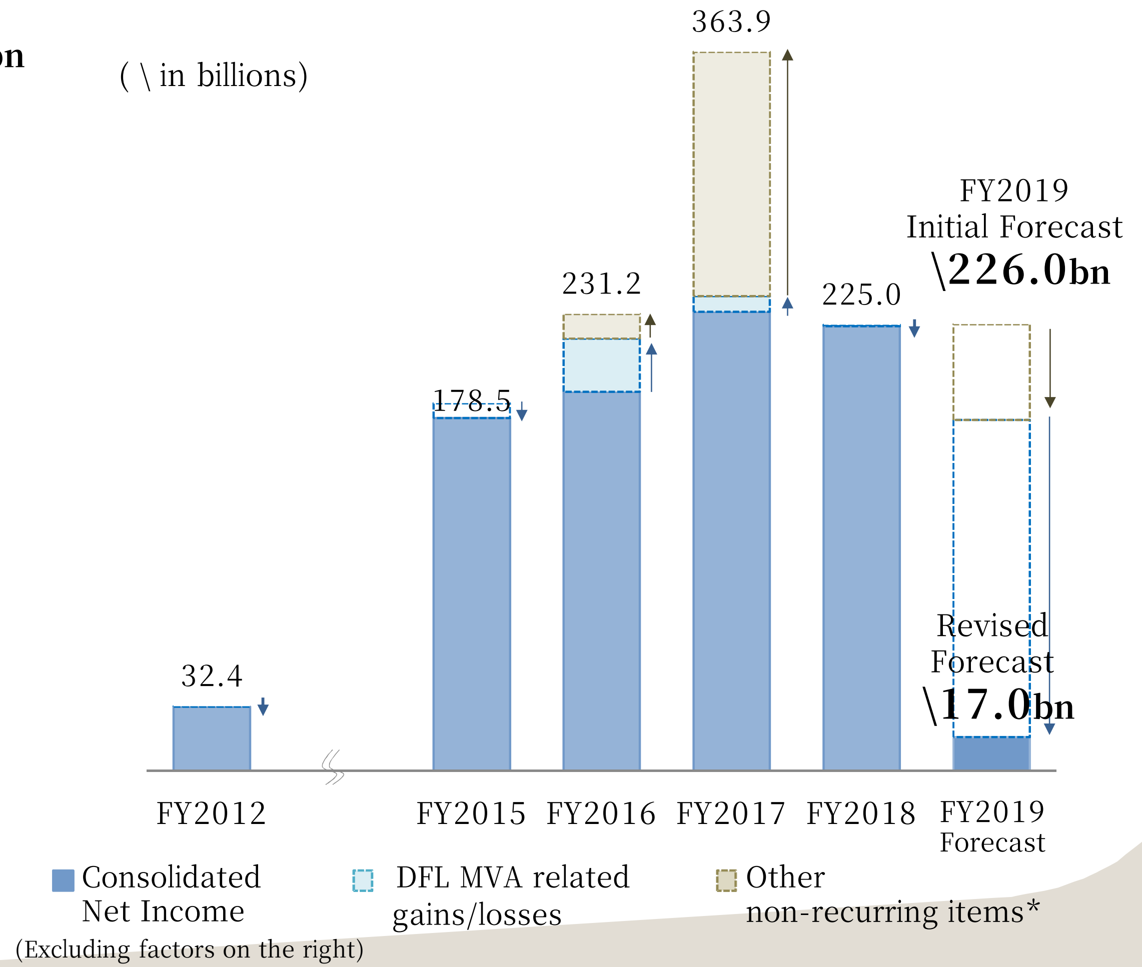
- J-GAAP consolidated net income was impacted by MVA related valuation losses incurred at DFL and one-time amortization of goodwill on Janus Henderson, an equity method affiliate.
- Even in the current market environment, the group adjusted profit (the source for shareholder returns) and dividends per share remain unchanged from the initial forecast.

Group Adjusted Profit and Shareholder Returns



*Total payout ratio for FY2012 and FY2015 is based on Consolidated Adjusted Net Income.

Consolidated Net Income



*Other non-recurring items include reorganization related gains and one-time amortization of goodwill in the asset management business, and the impact of the US corporate tax cuts at Protective.

Economic Solvency Ratio under Current Financial Environment

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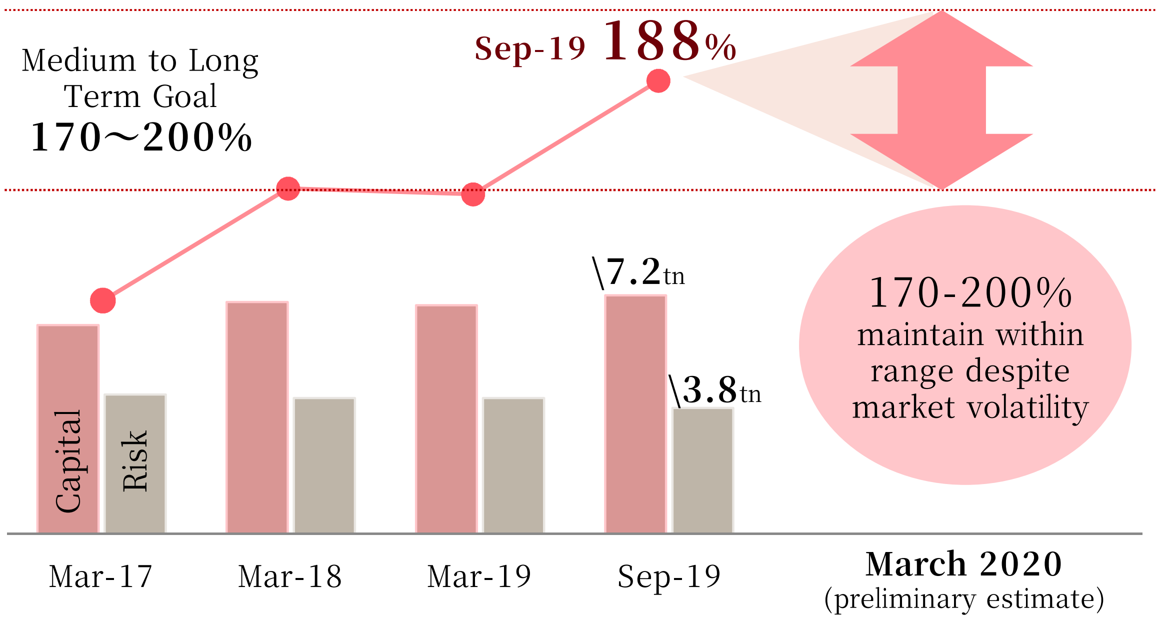
- Despite the significant market volatility, economic solvency ratio (ESR) during March was maintained within our target range of 170-200% (preliminary estimate).
- Dai-ichi Life's diversified investment portfolio and financial market risks control mitigated the impact of financial market volatility.

Economic Solvency Ratio (ESR)



[Financial market]	Mar-17	Mar-18	Mar-19	Sep-19	March 2020 (preliminary estimate)
Nikkei225 index	\18,909	\21,454	\21,205	\21,755	\16,552˜ 21,344
JGB20Yrs / USGB10Yrs yields	0.63%/2.39%	0.53%/2.74%	0.34%/2.41%	0.19%/1.67%	0.14˜ 0.35%/0.49˜ 1.25%
USD/ \(TTM)	\112.1	\106.2	\110.9	\107.9	\102.0˜ 111.1

Main Change Drivers (vs. Mar. 2019)

[Capital]
- \+ Subordinated bond issuance
- \+ Overseas interest rates decrease (unrealized gains increase)
- − Domestic interest rates decrease
- − Domestic and overseas stock prices decline (unrealized gains decrease)

[Risk]
- \+ Domestic interest rates decrease
- − Domestic and overseas stock prices decline (unrealized gains decrease)
- − Market risks control measures at DL

[Financial Market Risks Control at Dai-ichi Life]

- Lengthening bond duration
- Interest rate swaption
- Ceding insurance blocks

Mitigate the impact of the financial market volatility

- Hedging positions in domestic stocks and foreign currency (using derivative options)
- Continuous reduction of equity holdings

Strengthen Market Risks Control measures to Stabilize ESR

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- Taking financial market risks control measures a further step at Dai-ichi Life to stabilize ESR.
- By the end of March 2024, aim at reducing economic value based interest rate and equity risks by approximately 20% with the intention to reduce group EEV sensitivity to market interest rates and equity value movements by approximately 20% (compared to the end of March 2020).

Interest Rate Risk Reduction

✓ Continue to lengthen bond duration and hedge interest rates risks utilizing derivatives

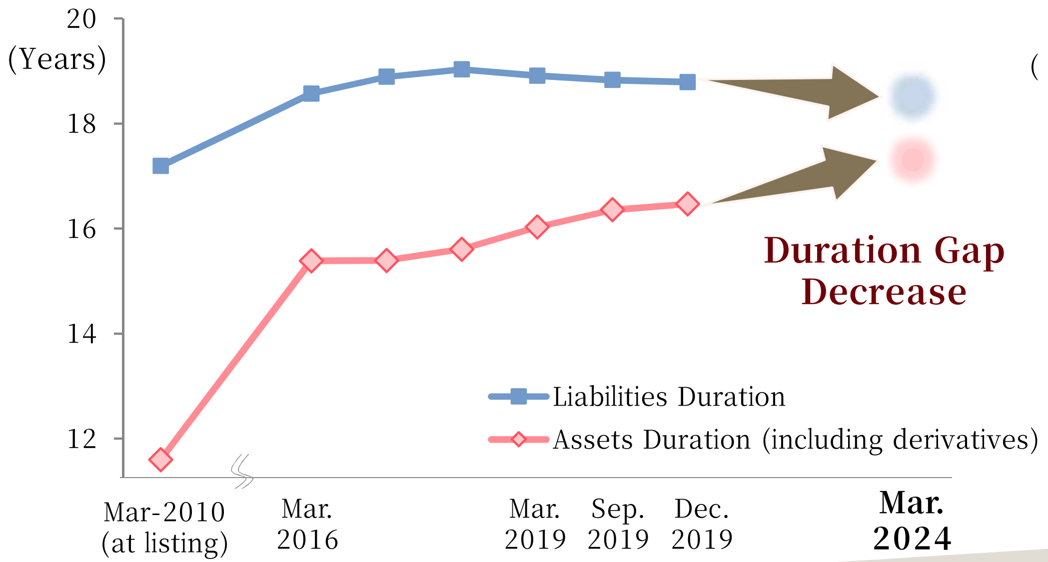
✓ Continue strategic ceding of insurance blocks

Equity Risk Reduction

✓ Strengthening reduction of equity holdings

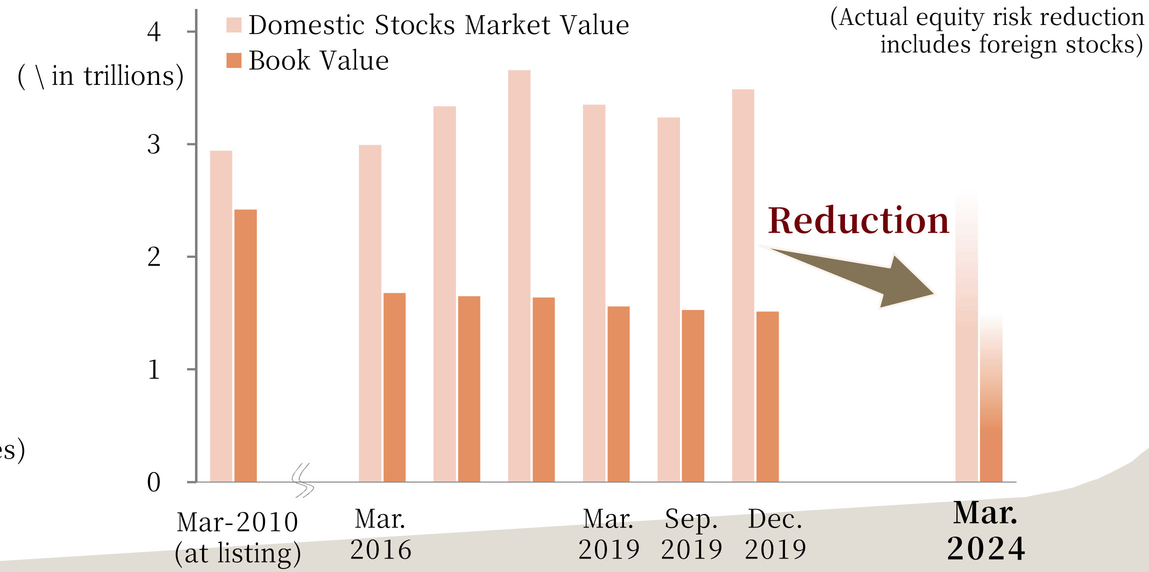
Strengthen market risks control measures to reduce interest rate and equity risks by approx.20%

Duration Control*



* Accounting based duration for liabilities mainly individual insurance / annuities and fixed income assets denominated in yen including swap contracts.

Equity Holding Control*

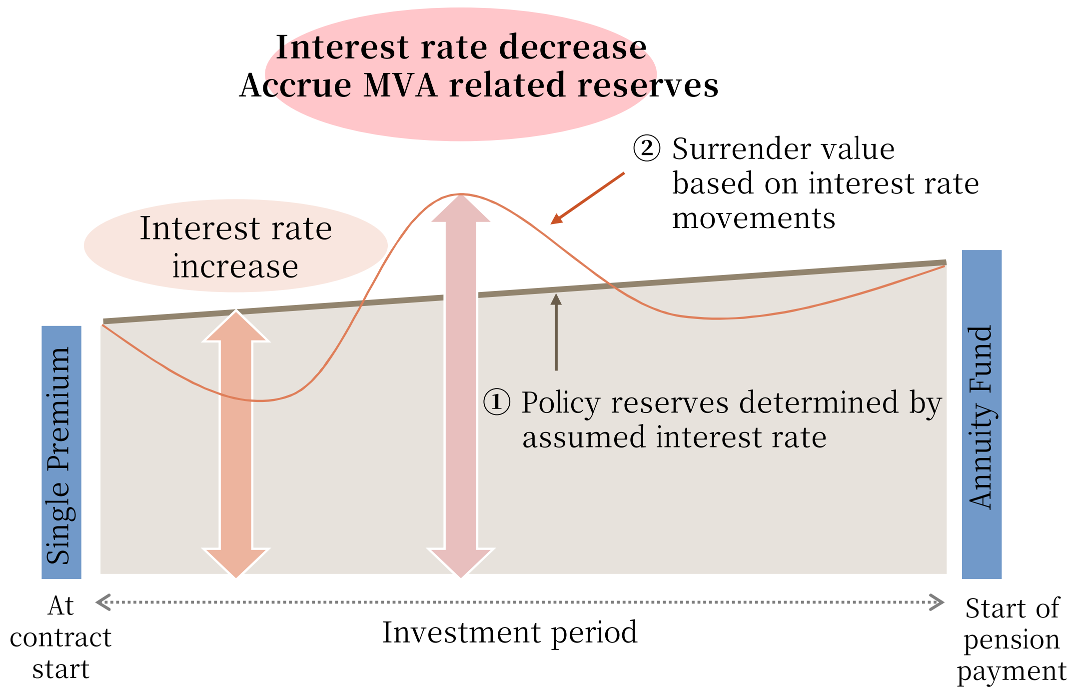


* Domestic stocks with market value (excluding subsidiaries / affiliated stocks and unlisted domestic stocks)

(Reference) Gains and Losses on Market Value Adjustment (MVA)

- For products with MVA option, the J-GAAP liabilities are recognized as the greater of surrender value or the value of policy reserves determined by assumed interest rate. When interest rate decreases, the surrender value will be higher than the value of policy reserves, resulting in an accrual of MVA related policy reserves.
- Gains/losses on MVA are offset on an accounting basis over time, therefore excluded from group adjusted profit.

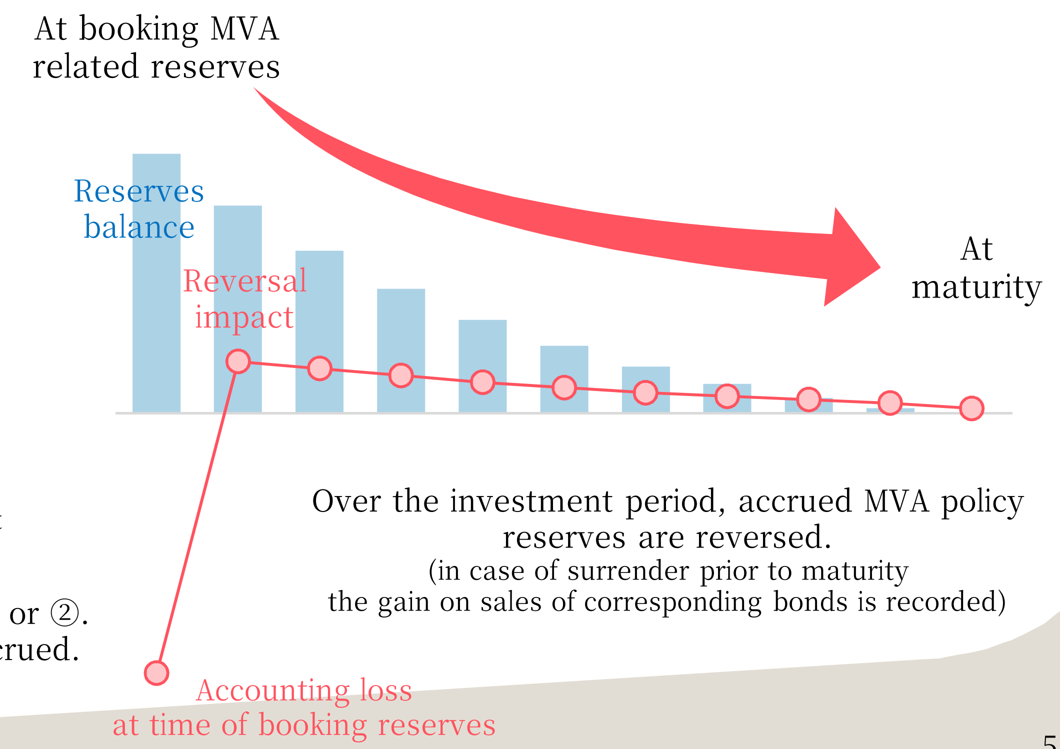
Policy Reserves Accrual on MVA



J-GAAP liabilities at the end of each period are based on the higher of ① or ②.
When interest rate decline and ②>①, additional policy reserves are accrued.

Reversal of Policy Reserves Accrued on MVA

Assuming flat interest rate after booking MVA related policy reserves, the amount of reserves is recalculated according to the market interest rate.



Over the investment period, accrued MVA policy reserves are reversed.
(in case of surrender prior to maturity the gain on sales of corresponding bonds is recorded)

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