[Unofficial translation]

May 20, 2015

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Disclosure of European Embedded Value as of March 31, 2015

The Dai-ichi Life Insurance Company, Limited (hereinafter "Dai-ichi Life") hereby discloses the European Embedded Value ("EEV") as of March 31, 2015.

As Protective Life Corporation (hereinafter "Protective Life") became a wholly owned subsidiary of Dai-ichi Life on February 1, 2015, Group EEV as of March 31, 2015 consists of EEV of Dai-ichi Life, Dai-ichi Frontier Life Insurance Co., Ltd (hereinafter "Dai-ichi Frontier Life" or "DFL"), TAL Dai-ichi Life Australia Pty Limited (hereinafter "TAL") and Protective Life (collectively, the "Group").

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1. Outline

1-1 EEV Principles

The EEV Principles and related guidance were published in May 2004 by the CFO Forum, an organization comprising the chief financial officers of Europe's leading life insurers, in order to improve consistency and transparency in embedded value reporting. In October 2005, further guidance on minimum required disclosures of sensitivities and other items was provided by the CFO Forum.

1-2 EEV Methodology

In the calculation of EEV, the Group has mainly adopted a market-consistent approach. More specifically, the EEV for Dai-ichi Life, Dai-ichi Frontier Life, TAL and variable annuity (hereinafter "VA") business of Protective Life are calculated based on a market-consistent approach, while the EEV for non-VA businesses of Protective Life is calculated based on a top-down approach.

A market-consistent approach is an approach which values cash flows from both assets and liabilities of a company consistently with comparable financial instruments traded in the market. A number of insurers, mainly in Europe, have implemented similar market-consistent approaches. A top-down approach is an approach which calculates an enterprise value using a discount rate which is determined in accordance with the risk characteristics of a company, business, product or geographic region. Both approaches are permitted under the EEV Principles.

The Group has fully adopted the EEV Principles, while also taking into account a market-consistent approach, in calculating its EV.

2. EEV as of March 31, 2015

2-1 EEV Results of the Group

The EEV of the Group as of March 31, 2015 increased compared to the end of the previous fiscal year due to an increase in unrealized gains on securities attributable to stock market gains and a depreciation of yen against U.S. dollar, and acquisition of new business. The EEV of the Group as of March 31, 2015 is as follows:

(billions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
EEV	4,294.7	5,779.6	1,484.9
Adjusted net worth	3,431.3	5,540.8	2,109.4
Value of in-force business	863.3	238.8	(624.5)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	255.4	274.0	18.6

(Note 1) The Group EEV is calculated as follows: Dai-ichi Life's EEV plus DFL's, TAL's and Protective Life's EEV attributable to Dai-ichi Life's equity stake in DFL ,TAL and Protective Life less Dai-ichi Life's carrying amount of equity of DFL, TAL and Protective Life.

(Note 2) Dai-ichi Life held 100.0% of the shares of DFL and TAL as of March 31, 2014 and as of March 31, 2015. Dai-ichi Life held 100.0% of the shares of Protective Life as of March 31, 2015.

(Note 3) Dai-ichi Life's carrying amount of DFL's equity was ¥181.9 billion as of March 31, 2014 and as of March 31, 2015. Dai-ichi Life's carrying amount of TAL's equity was ¥142.0 billion as of March 31, 2014 and ¥154.5 billion as of March 31, 2015. Dai-ichi Life's carrying amount of Protective Life's equity was ¥578.3 billion as of March 31, 2015.

(Note 4) DFL became a wholly owned subsidiary of Dai-ichi Life in March 2014. Group's value of new business for the year ended March 31, 2014 is calculated based on Dai-ichi Life's equity stake in DFL before it became a wholly owned subsidiary of Dai-ichi Life (namely, 90%).

(Note 5) Protective Life became a wholly owned subsidiary of Dai-ichi Life on February 1, 2015. The Group EEV as of March 31, 2014 does not include Protective Life's EEV. The Group EEV as of March 31, 2015 includes Protective Life's EEV as of February 1, 2015 in accordance with Protective Life's closing date for the Group's consolidated financial statements. Group's value of new business for the year ended March 31, 2014 and March 31, 2015 does not include value of new business of Protective Life.

2-1-1 Adjusted Net Worth

Adjusted net worth represents the net assets attributed to shareholders and represents the market value of assets in excess of statutory policy reserves (excluding contingency reserve), and other liabilities (excluding reserve for price fluctuations).

In other words, adjusted net worth is calculated by adjusting the total net assets on the balance sheet for the retained earnings in liabilities, general reserve for possible loan losses, unrealized gains/losses in assets/liabilities not accounted for under the mark-to-market methodology, unfunded retirement benefit obligations, and tax effect

equivalent of the items above. The methodology for deriving adjusted net worth is described in Appendices A and C.

Adjusted net worth as of March 31, 2015 increased from the end of previous fiscal year mainly due to an increase in unrealized gains for Dai-ichi Life, attributable to a rise in bond prices caused by lower interest rates, stock market gains, a depreciation of yen against U.S. dollar and an increase in total net assets resulting from the issuance of new shares.

The breakdown of the Group's adjusted net worth is as follows:

(billions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
Adjusted net worth	3,431.3	5,540.8	2,109.4
Total net assets on the balance sheet *(Note 1)*	891.2	1,588.4	697.1
Retained earnings in liabilities *(Note 2)*	765.8	862.4	96.6
General reserve for possible loan losses	1.4	1.1	(0.2)
Unrealized gains (losses) on securities and miscellaneous items *(Note 3)*	3,179.0	5,664.6	2,485.6
Unrealized gains (losses) on loans	218.1	250.0	31.9
Unrealized gains (losses) on real estate *(Note 4)*	3.5	42.9	39.4
Unrealized gains (losses) on liabilities *(Note 5)*	(25.9)	(32.3)	(6.4)
Unfunded retirement benefit obligation *(Note 6)*	24.7	75.9	51.1
Tax effect equivalent of above items	(1,233.4)	(1,905.1)	(671.6)
Adjustment for the Trust Fund for Employee Stock Holding Partnership and Stock Granting Trust *(Note 7)*	11.6	10.3	(1.3)
Consolidation adjustment regarding DFL *(Note 8)*	(181.9)	(181.9)	0.0
Adjustment for intangible assets in TAL and miscellaneous items *(Note 9)*	(81.0)	(63.4)	17.5
Consolidation adjustment regarding TAL *(Note 10)*	(142.0)	(154.5)	(12.4)
Adjustment for deferred tax assets in Protective Life and miscellaneous items *(Note 11)*	-	(39.5)	(39.5)
Consolidation adjustment regarding Protective Life *(Note 12)*	-	(578.3)	(578.3)

(Note 1) The total of valuation and translation adjustments is excluded. An adjustment amount regarding the surplus relief reinsurance for DFL is added to the total net assets.

(Note 2) The sum of reserve for price fluctuations, contingency reserve, the unallocated portion of reserve for policyholder dividends, and asset valuation reserve is reported.

(Note 3) For purposes of EEV calculations, domestic listed stocks are recorded at their market value as of the end of the reporting period, whereas for accounting purposes under Japanese GAAP, they are recorded on the balance sheet at their average value during the last month of the reporting period. The difference (the value for purposes of EEV calculations less the value recorded on our balance sheet) (after tax) was ¥24.2 billion as of March 31, 2014, and ¥(18.5) billion as of March 31, 2015.

(Note 4) With respect to land, the difference between fair value and carrying value before revaluation is posted.

(Note 5) The figure represents the unrealized gains (losses) in subordinated debt that Dai-ichi Life issued.

(Note 6) The sum of unrecognized gains/losses on plan amendments and unrecognized actuarial differences is

reported.

(Note 7) The fair value of the Trust Fund for the Employee Stock Holding Partnership and Stock Granting Trust (collectively, the "Trust") is reported (the fair value of the Trust Fund for the Employee Stock Holding Partnership does not exceed the loan amount of the trust fund).

(Note 8) Dai-ichi Life's carrying amount of equity of DFL, which is reported in "Total net assets on the balance sheet", is deducted to offset.

(Note 9) An adjustment is made for TAL's intangible assets, including goodwill and value of in-force business.

(Note 10) Dai-ichi Life's carrying amount of equity of TAL, which is reported in "Total net assets on the balance sheet", is deducted to offset.

(Note 11) An adjustment is made for Protective Life's deferred tax assets and for other miscellaneous items.

(Note 12) Dai-ichi Life's carrying amount of equity of Protective Life, which is reported in "Total net assets on the balance sheet", is deducted to offset.

(Note 13) All the items from "Total net assets on the balance sheet" to "Tax effect equivalent of above items" display the sum of the figures for Dai-ichi Life, DFL, TAL and Protective Life.

Reconciliations between the Group's adjusted net worth and total net assets are as follows:

(billions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
Total Net Assets *(Note 1)*	629.1	1,030.3	401.2
PLUS Retained earnings in liabilities *(Note 2)*	765.8	862.4	96.6
PLUS General reserve for possible loan losses	1.4	1.1	(0.2)
PLUS Unrealized gains/losses *(Note 3)*	3,378.0	5,999.0	2,621.0
PLUS Adjustment regarding the surplus relief reinsurance for DFL *(Note 4)*	(26.9)	(81.5)	(54.5)
PLUS Unfunded retirement benefit obligation *(Note 5)*	24.7	75.9	51.1
PLUS Tax effect equivalent of above items	(1,233.4)	(1,905.1)	(671.6)
LESS Intangible assets of TAL	107.4	101.4	(6.0)
PLUS Adjustment for deferred tax assets in Protective Life and miscellaneous items	-	(39.5)	(39.5)
PLUS Difference between Protective Life's net assets based on its statutory accounting and US-GAAP *(Note6)*	-	(300.5)	(300.5)
Adjusted net worth	3,431.3	5,540.8	2,109.4

(Note 1) The total accumulated other comprehensive income and minority interests are excluded.

(Note 2) The sum of reserve for price fluctuations, contingency reserve, the unallocated portion of reserve for policyholder dividends, and asset valuation reserve is reported.

(Note 3) The sum of the unrealized gains/losses in securities and miscellaneous items, loans, real estate and liabilities is reported. Due to the consolidation adjustment with regard to consolidated subsidiaries and affiliated companies accounted for under the equity method, unrealized gains/losses on equity within this item are different from the sum of the unrealized gains/losses on equity in Dai-ichi Life and DFL. The fair value of the Trust is also reported in this item for adjustment (the fair value of the Trust Fund for the Employee Stock Holding Partnership does not exceed the loan amount of the trust fund).

(Note 4) An adjustment regarding the surplus relief reinsurance has been made for DFL's EEV calculation.

(Note 5) The sum of unrecognized gains/losses on plan amendments and unrecognized actuarial differences is reported.

(Note 6) The difference between net assets based on statutory accounting and US-GAAP is shown because Protective Life's EEV is calculated based on its statutory accounting while the Group's consolidated balance sheet is prepared based on Protective Life's US-GAAP balance sheet.

2-1-2 Value of In-force Business

The value of in-force business is the amount of (i) present value of future profits, less (ii) time value of financial options and guarantees, less (iii) cost of holding required capital, less (iv) allowance for non-financial risks. Investment cash flows to determine the certainty equivalent present value of future profits for business valued using a market-consistent approach are calculated assuming that investment yields of all assets are equivalent to the risk-free rate. The investment yields were lower due to decline of JGB rates, which in turn caused a decrease in the value of in-force business compared to the end of the previous fiscal year.

The methodology for deriving value of in-force business is described in Appendices A and C, and the assumptions for the risk-free rates are shown in Appendices B and C.

The breakdown of the Group's value of in-force business is as follows:

(billions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
Value of in-force business	863.3	238.8	(624.5)
Present value of future profits*(Note 1)(Note 2)*	1,113.8	632.4	(481.4)
Time value of financial options and guarantees	(131.0)	(190.4)	(59.3)
Cost of holding required capital*(Note 3)*	(57.2)	(130.7)	(73.5)
Allowance for non-financial risks	(62.1)	(72.4)	(10.2)

(Note 1) An adjustment regarding the surplus relief reinsurance has been made for DFL's EEV calculation.

(Note 2) Includes the certainty equivalent present value of future profits for business valued using a market-consistent approach and present value of future profits for business valued using a top-down approach.

(Note 3) Includes the frictional cost of capital for business valued using a market-consistent approach and the cost of capital for business valued using a top-down approach.

2-1-3 Value of New Business

The value of new business is the value at the time of sale, after all acquisition-related costs, of new policies (including net increase by conversion) obtained during the reporting period. The value of new business for the fiscal year ended March 31, 2015 is as follows:

(billions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	255.4	274.0	18.6
Certainty equivalent present value of future profit	266.0	287.0	21.0
Time value of financial options and guarantees	(0.4)	(1.9)	(1.4)
Cost of holding required capital	(5.8)	(5.0)	0.8
Allowance for non-financial risks	(4.2)	(6.0)	(1.7)

(Note 1) DFL became a wholly owned subsidiary of Dai-ichi Life in March 2014. Group's value of new business for the year ended March 31, 2014 is calculated based on Dai-ichi Life's equity stake in DFL before it became a wholly owned subsidiary of Dai-ichi Life (namely, 90%).

(Note 2) Group's value of new business for the year ended March 31, 2014 and March 31, 2015 does not include value of new business of Protective Life in accordance with Protective Life's closing date for the Group's consolidated financial statements.

The new business margins (the ratio of the value of new business to the present value of premium income) are as follows:

(billions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	255.4	274.0	18.6
Present Value of Premium Income*(Note)*	4,087.8	5,179.5	1,091.7
New Business Margin	6.25%	5.29%	(0.96) points

(Note) Future premium income is discounted by the risk-free rate used for the value of new business calculation.

2-2 EEV by Company

(1) Dai-ichi Life

(billions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
EEV *(Note 1)*	4,268.5	5,700.8	1,432.2
Adjusted net worth	3,520.9	5,791.8	2,270.9
Total net assets *(Note 2)*	696.8	1,108.1	411.2
Retained earnings in liabilities *(Note 3)*	656.9	703.2	46.3
General reserve for possible loan losses	1.3	1.1	(0.2)
Unrealized gains (losses) on securities and miscellaneous items *(Note 4)*	3,161.5	5,485.7	2,324.2
Unrealized gains (losses) on loans	218.1	250.0	31.9
Unrealized gains (losses) on real estate *(Note 5)*	3.5	42.9	39.4
Unrealized gains (losses) on liabilities *(Note 6)*	(25.9)	(32.3)	(6.4)
Unfunded retirement benefit obligation *(Note 7)*	24.7	75.9	51.1
Tax effect equivalent of above items	(1,228.0)	(1,853.4)	(625.3)
Adjustment for the Trust Fund for Employee Stock Holding Partnership and Stock Granting Trust *(Note 8)*	11.6	10.3	(1.3)
Value of in-force business	747.6	(91.0)	(838.7)
Certainty equivalent present value of future profits	920.3	113.5	(806.7)
Time value of financial options and guarantees	(75.0)	(104.4)	(29.3)
Cost of holding required capital	(41.9)	(38.3)	3.5
Allowance for non-financial risks	(55.6)	(61.8)	(6.1)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	216.9	198.1	(18.7)
Certainty equivalent present value of future profits	221.0	205.9	(15.0)
Time value of financial options and guarantees	(0.4)	(1.9)	(1.4)
Cost of holding required capital	(1.3)	(2.3)	(1.0)
Allowance for non-financial risks	(2.3)	(3.6)	(1.2)

(Note 1) Dai-ichi Life's share of DFL, TAL and Protective Life is valued on a book value basis. The EEV of the Group is adjusted for consolidation.

(Note 2) The total of valuation and translation adjustments is excluded.

(Note 3) The sum of reserve for price fluctuations, contingency reserves, and the unallocated portion of reserve for policyholder dividends is reported.

(Note 4) For purposes of EEV calculations, domestic listed stocks are recorded at their market value as of the end of the reporting period, whereas for accounting purposes, they are recorded on the balance sheet at their average value during the last month of the reporting period. The difference (the value for purposes of

EEV calculations less the value recorded on our balance sheet) (after tax) is ¥24.2 billion as of March 31, 2014, and ¥(18.5) billion as of March 31, 2015.

(Note 5) With respect to land, the difference between fair value and carrying value before revaluation is posted.

(Note 6) The figure represents the unrealized gains (losses) in subordinated debt that Dai-ichi Life issued.

(Note 7) The sum of unrecognized gains/losses on plan amendments and unrecognized actuarial differences is reported.

(Note 8) The fair value of the Trust is reported (the fair value of the Trust Fund for the Employee Stock Holding Partnership does not exceed the loan amount of the trust fund).

The new business margins are as follows:

(billions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	216.9	198.1	(18.7)
Present Value of Premium Income*(Note)*	2,649.5	3,258.1	608.5
New Business Margin	8.19%	6.08%	(2.11) points

(Note) Future premium income is discounted by the risk-free rate used for the value of new business calculation.

(2) Dai-ichi Frontier Life

(billions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
EEV	163.8	252.7	88.9
Adjusted net worth	134.4	188.2	53.7
Total net assets *(Note 1)*	40.3	18.4	(21.9)
Adjustment regarding the surplus relief reinsurance for DFL	(26.9)	(81.5)	(54.5)
Retained earnings in liabilities *(Note 2)*	108.9	124.0	15.1
General reserve for possible loan losses	0.0	0.0	0.0
Unrealized gains (losses) on securities and miscellaneous items	17.4	178.8	161.4
Tax effect equivalent of above items	(5.3)	(51.6)	(46.2)
Value of in-force business	29.3	64.5	35.2
Certainty equivalent present value of future profits	88.2	122.0	33.7
Present value of future profits excluding the item below	61.3	40.5	(20.7)
Adjustment regarding the surplus relief reinsurance	26.9	81.5	54.5
Time value of financial options and guarantees	(55.1)	(52.6)	2.4
Cost of holding required capital	(1.6)	(1.4)	0.1
Allowance for non-financial risks	(2.1)	(3.3)	(1.1)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business *(Note 3)*	22.3	58.6	36.2
Certainty equivalent present value of future profits	24.8	61.2	36.4
Time value of financial options and guarantees	0.0	0.0	0.0
Cost of holding required capital	(1.3)	(0.9)	0.3
Allowance for non-financial risks	(1.1)	(1.6)	(0.5)

(Note 1) The total of valuation and translation adjustments is excluded.

(Note 2) The sum of the reserve for price fluctuations and contingency reserve is reported.

(Note 3) This table shows the full value of DFL as an independent entity. When used in the calculation of Group's value of new business, the value is in proportion to Dai-ichi Life's shareholding in DFL.

The new business margins are as follows:

(billions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	22.3	58.6	36.2
Present Value of Premium Income*(Note)*	1,145.7	1,715.5	569.8
New Business Margin	1.95%	3.42%	1.47 points

(Note) Future premium income is discounted by the risk-free rate used for the value of new business calculation.

(3) TAL

(billions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
EEV	186.3	237.8	51.4
Adjusted net worth	99.9	123.7	23.7
Total net assets	181.0	187.1	6.1
Adjustment for intangible assets and miscellaneous items*(Note)*	(81.0)	(63.4)	17.5
Value of in-force business	86.3	114.1	27.7
Certainty equivalent present value of future profits	105.2	133.3	28.0
Time value of financial options and Guarantees	(0.8)	(0.8)	0.0
Cost of holding required capital	(13.6)	(12.3)	1.3
Allowance for non-financial risks	(4.2)	(6.0)	(1.7)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	18.4	17.3	(1.0)
Certainty equivalent present value of future profits	22.7	19.7	(2.9)
Time value of financial options and guarantees	0.0	0.0	0.0
Cost of holding required capital	(3.3)	(1.7)	1.6
Allowance for non-financial risks	(0.9)	(0.7)	0.1

(Note) An adjustment is made for TAL's intangible assets, including goodwill and value of in-force business.

The new business margins are as follows:

(billions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	18.4	17.3	(1.0)
Present Value of Premium Income*(Note)*	407.0	205.7	(201.2)
New Business Margin	4.53%	8.43%	3.90 points

(Note) Future premium income is discounted by the risk-free rate used for the value of new business calculation.

(Reference) TAL's EEV in Australian Dollar

(millions of AUD)

	March 31, 2014	March 31, 2015	Increase (Decrease)
EEV	1,957	2,583	625
Adjusted net worth	1,050	1,344	293
Total net assets	1,901	2,033	131
Adjustment for intangible assets and miscellaneous items	(851)	(689)	161
Value of in-force business	907	1,239	332
Certainty equivalent present value of future profits	1,105	1,448	342
Time value of financial options and guarantees	(9)	(9)	0
Cost of holding required capital	(143)	(133)	9
Allowance for non-financial risks	(44)	(65)	(20)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Value of new business	193	188	(5)
Certainty equivalent present value of future profits	238	214	(23)
Time value of financial options and guarantees	0	0	0
Cost of holding required capital	(35)	(18)	16
Allowance for non-financial risks	(9)	(8)	1

(4) Protective Life *(Note 1)*

(billions of yen)

	February 1, 2015
EEV	502.9
Adjusted net worth	351.7
Total net assets *(Note 2)*	356.1
Retained earnings in liabilities *(Note 3)*	35.1
Adjustment for deferred tax assets and miscellaneous items *(Note 4)*	(39.5)
Value of in-force business	151.2
Present value of future profits *(Note 5)*	263.4
Time value of financial options and guarantees	(32.4)
Cost of holding required capital *(Note 6)*	(78.5)
Allowance for non-financial risks	(1.2)

(Note 1) Protective Life became a wholly owned subsidiary of Dai-ichi Life on February 1, 2015. Group EEV as of March 31, 2015 includes Protective Life's EEV as of February 1, 2015 in accordance with Protective Life's closing date for the Group's consolidated financial statements.

(Note 2) The sum of net assets based on statutory capital and surplus, value of non-life entities and adjustment for holding company's equity.

(Note 3) Asset valuation reserve is reported.

(Note 4) An adjustment is made for Protective Life's deferred tax assets and other miscellaneous items.

(Note 5) Includes the certainty equivalent present value of future profits for business valued using a market-consistent approach and the present value of future profits for business valued using a top-down approach.

(Note 6) Includes the frictional cost of capital for business valued using a market-consistent approach and the cost of capital for business valued using a top-down approach.

The Breakdown of value of in-force business is as follows.

(billions of yen)

	February 1, 2015
Value of in-force business	151.2
Top-down approach	168.3
Present value of future profits	245.0
Cost of capital	(76.7)
Market-consistent approach	(17.0)
Certainty equivalent present value of future profits	18.4
Time value of financial options and guarantees	(32.4)
Cost of holding required capital	(1.8)
Allowance for non-financial risks	(1.2)

(Reference) Protective Life's EEV in US Dollar

(millions of USD)

			February 1, 2015
EEV			4,253
	Adjusted net worth		2,974
		Total net assets	3,012
		Retained earnings in liabilities	296
		Adjustment for deferred tax assets and miscellaneous items	(334)
	Value of in-force business		1,278
		Present value of future profits	2,228
		Time value of financial options and guarantees	(274)
		Cost of holding required capital	(664)
		Allowance for non-financial risks	(10)

(Reference) Dai-ichi Life Insurance Company of Vietnam

Dai-ichi Life Insurance Company of Vietnam, Limited (hereinafter "DLVN"), a consolidated life insurance subsidiary in Vietnam, is assumed to have a limited impact on the Group EEV. Accordingly in the EEV calculation process, the Group considers the EV of DLVN calculated using traditional embedded value ("TEV") methodology to be the fair value of Dai-ichi Life's ownership interest, which has been included in the Group's adjusted net worth.

The closing date of DLVN is 31 December. In calculating the Group EEV, the TEV of DLVN as of the most recent closing date is used. The TEV of DLVN as of December 31, 2014 is as follows:

(billions of yen)

	December 31, 2013	December 31, 2014	Increase (Decrease)
TEV	12.3	15.7	3.3
Adjusted net worth	7.3	9.1	1.7
Value of in-force business	4.9	6.6	1.6

3. Movement Analysis

3-1 Movement Analysis of Group EEV

(billions of yen)

	Adjusted net worth	Value of in-force business	EEV
Values as of March 31, 2014	3,431.3	863.3	4,294.7
(1) Adjustments to the values as of March 31, 2014	252.3	(2.8)	249.4
Shareholder dividend	(20.0)	0.0	(20.0)
Issuance of new shares	265.6	0.0	265.6
Accounting policies variance	10.3	0.0	10.3
Foreign exchange variance	(3.6)	(2.8)	(6.5)
Adjusted values as of March 31, 2014	3,683.6	860.5	4,544.2
(2) Value of new business	0.0	274.0	274.0
(3) Expected existing business contribution (risk-free rate)	(9.8)	23.5	13.6
(4) Expected existing business contribution (in excess of risk-free rate)	63.3	289.1	352.5
(5) Expected transfer from VIF to adjusted net worth	(53.3)	53.3	0.0
on in-force at beginning of year	158.2	(158.2)	0.0
on new business	(211.6)	211.6	0.0
(6) Non-economic experience variances	8.9	3.7	12.6
(7) Non-economic assumptions changes	0.2	51.8	52.0
(8) Economic variances	1,990.8	(1,476.0)	514.7
(9) Other variances	83.5	7.4	91.0
(10) Adjustments to the values as of March 31, 2015	(226.6)	151.2	(75.3)
Values as of March 31, 2015	5,540.8	238.8	5,779.6

(1) Adjustments to the values as of March 31, 2014

Adjusted net worth of Dai-ichi Life decreased by ¥20.0 billion, as it paid out shareholder dividends during the fiscal year ended March 31, 2015.

Further, adjusted net worth of Dai-ichi Life increased by ¥265.6 billion, as it issued new shares during the fiscal year ended March 31, 2015.

In addition, adjusted net worth of Dai-ichi Life increased by ¥10.3 billion, as it revised the valuation method for its retirement benefit plan, following changes to the Accounting Standard for Retirement Benefits.

This item also includes the foreign exchange variance, because TAL's EEV is converted into yen.

(2) Value of new business

The value of new business represents the value at the time of sale, after all acquisition-related costs, attributable to new business obtained during the fiscal year

ended March 31, 2015. The impact on value of new business from Japanese tax system changes which came into effect during the fiscal year ended March 31, 2015 is reflected in this value.

(3) Expected existing business contribution (risk-free rate)
In calculating the value of in-force business, future expected profits are discounted back using risk-free rates. Thus, the discounted value is assumed to earn the risk-free rate over time. Moreover, this item includes the expected return on the assets backing adjusted net worth using risk-free rates, and the release for the fiscal year ended March 31, 2015 of time value of financial options and guarantees, cost of holding required capital and allowance for non-financial risks.
This item includes the expected profit/loss over time derived from derivative transactions, which Dai-ichi Frontier Life utilizes to reduce minimum guarantee risks of variable annuities.

(4) Expected existing business contribution (in excess of risk-free rate)
Rates of future expected returns are assumed to be risk-free rates in calculating EEV. However, the Group expects higher rates of returns on these assets than the risk-free rates. In calculating this item, the Group uses the expected rates of returns described in Appendix B.
This item includes the expected profit/loss from the higher rate of returns than the risk-free rates derived from derivative transactions for reducing minimum guarantee risks of variable annuities by Dai-ichi Frontier Life.

(5) Expected transfer from VIF (value of in-force business) to adjusted net worth
The total expected profit during the fiscal year on a statutory accounting basis is transferred to the adjusted net worth. This item includes both the profit expected to emerge from business in force at the start of the reporting period, as well as the expected emergence in adjusted net worth during the fiscal year of statutory losses, including the impact of acquisition costs, and a corresponding increase in the value of in-force business, arising from the new business issued in the fiscal year.
Note that the transferred amounts do not affect the total amount of Group EEV.

(6) Non-economic experience variances
This item represents the difference between (i) the non-economic assumptions, which were used for calculating EEV as of March 31, 2014 and (ii) the actual experience during the fiscal year ended March 31, 2015 corresponding to such assumptions.

(7) Non-economic assumptions changes
This item quantifies the amount of change attributable to increase/decrease in future

profits/losses after March 31, 2015 due to changes made to the assumptions.

(8) Economic variances

This item represents the impact of differences between actual investment returns in the period and the expected investment returns and the impact on the value of in-force business from the change to the end of period economic assumptions.

The EEV increased due to an increase in adjusted net worth, which in turn is thanks to the increase in unrealized gains attributable to stock market gains and a depreciation of yen against U.S. dollar.

(9) Other variances

This item includes the impact of factors other than stated above. Model changes are included in this item. For the fiscal year ended March 31, 2015, EEV increased by ¥92.3 billion due to the impact of both changes in the Japanese corporate tax system effective from the fiscal year ended March 31, 2015 and scheduled changes in consumption tax. This figure excludes the impact of these tax system changes on new business written in the past year, which is already reflected in the value of new business.

(10) Adjustments to the values as of March 31, 2015

This item represents the difference between Protective Life's EEV as of February 1, 2015 and Dai-ichi Life's carrying amount of equity of Protective Life.

3-2 Movement Analysis by Company

(1) Dai-ichi Life

(billions of yen)

	Adjusted net worth	Value of in-force business	EEV
Values as of March 31, 2014	3,520.9	747.6	4,268.5
Adjustments to the values as of March 31, 2014	256.0	0.0	256.0
Shareholder dividend*(Note 1)*	(20.0)	0.0	(20.0)
Issuance of new shares*(Note 2)*	265.6	0.0	265.6
Accounting policies variance*(Note3)*	10.3	0.0	10.3
Adjusted values as of March 31, 2014	3,776.9	747.6	4,524.5
Value of new business	0.0	198.1	198.1
Expected existing business contribution (risk-free rate)	1.5	4.7	6.3
Expected existing business contribution (in excess of risk-free rate)	41.1	293.5	334.6
Expected transfer from VIF to adjusted net worth	(41.2)	41.2	0.0
on in-force at beginning of year	110.1	(110.1)	0.0
on new business	(151.4)	151.4	0.0
Non-economic experience variances	9.6	(0.8)	8.8
Non-economic assumptions changes	0.0	55.3	55.3
Economic variances	1,919.2	(1,438.3)	480.9
Other variances*(Note 4)*	84.6	7.3	92.0
Values as of March 31, 2015	5,791.8	(91.0)	5,700.8

(Note 1) Adjusted net worth of Dai-ichi Life decreased by ¥20.0 billion, as it paid out shareholder dividends during the fiscal year ended March 31, 2015.

(Note 2) Adjusted net worth of Dai-ichi Life increased by ¥265.6 billion, as it issued new shares during the fiscal year ended March 31, 2015.

(Note 3) Adjusted net worth of Dai-ichi Life increased by ¥10.3 billion, as it revised the valuation method for its retirement benefit plan, following the changes to the Accounting Standard for Retirement Benefits.

(Note 4)This component includes the impact of both changes in the Japanese corporate tax system effective from the fiscal year ended March 31, 2015 and scheduled changes in consumption tax.

(2) Dai-ichi Frontier Life

(billions of yen)

	Adjusted net worth	Value of in-force business	EEV
Values as of March 31, 2014	134.4	29.3	163.8
Adjustments to the values as of March 31, 2014	0.0	0.0	0.0
Adjusted values as of March 31, 2014	134.4	29.3	163.8
Value of new business	0.0	58.6	58.6
Expected existing business contribution (risk-free rate)	(13.7)	16.2	2.5
Expected existing business contribution (in excess of risk-free rate)	22.1	(4.3)	17.8
Expected transfer from VIF to adjusted net worth	(23.6)	23.6	0.0
on in-force at beginning of year	36.2	(36.2)	0.0
on new business	(59.9)	59.9	0.0
Non-economic experience variances	(2.5)	(3.4)	(6.0)
Non-economic assumptions changes	0.0	(0.8)	(0.8)
Economic variances	70.9	(54.5)	16.4
Other variances*(Note)*	0.6	(0.2)	0.3
Values as of March 31, 2015	188.2	64.5	252.7

(Note)This component includes the impact of both changes in the Japanese corporate tax system effective from the fiscal year ended March 31, 2015 and scheduled changes in consumption tax.

(3) TAL

(billions of yen)

	Adjusted net worth	Value of in-force business	EEV
Values as of March 31, 2014	99.9	86.3	186.3
Adjustments to the values as of March 31, 2014	7.2	(2.8)	4.4
Capital injection by Dai-ichi Life*(Note 1)*	12.4	0.0	12.4
Shareholder dividend *(Note 2)*	(1.4)	0.0	(1.4)
Foreign exchange variance	(3.6)	(2.8)	(6.5)
Adjusted values as of March 31, 2014	107.2	83.5	190.7
Value of new business	0.0	17.3	17.3
Expected existing business contribution (risk-free rate)	2.3	2.4	4.8
Expected existing business contribution (in excess of risk-free rate)	0.0	0.0	0.0
Expected transfer from VIF to adjusted net worth	11.6	(11.6)	0.0
on in-force at beginning of year	11.8	(11.8)	0.0
on new business	(0.2)	0.2	0.0
Non-economic experience variances	1.8	8.0	9.8
Non-economic assumptions changes	0.2	(2.6)	(2.4)
Economic variances	2.1	16.7	18.8
Other variances	(1.6)	0.2	(1.3)
Values as of March 31, 2015	123.7	114.1	237.8

(Note 1) During the fiscal year ended March 31, 2015, TAL received additional capital from Dai-ichi Life. The capital injection represents an intragroup transaction, thus has no impact on the Group's EEV.

(Note 2) Adjusted net worth decreased by ¥1.4 billion, as TAL booked shareholder dividends to Dai-ichi Life during the fiscal year ended March 31, 2015.

4. Sensitivity Analysis

4-1 Sensitivity Analysis of Group EEV

The following table shows a sensitivity analysis of Group EEV to changes in assumptions. Although each figure in the table indicates the sensitivity in response to a change in one parameter, it should be noted that the sum of two or more figures in the table does not indicate the sensitivity to a change in two or more parameters corresponding to such figures.

The sensitivities are calculated based on the assumption that the Group's management actions would remain unaffected by changes in parameters.

(billions of yen)

Assumptions	EEV	Increase (decrease)
Values as of March 31, 2015	5,779.6	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	6,131.8	352.2
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	5,324.4	(455.2)
Sensitivity 3: 10% decline in equity and real estate values	5,360.1	(419.4)
Sensitivity 4: 10% decline in maintenance expenses	5,970.1	190.5
Sensitivity 5: 10% decline in surrender and lapse rate	5,982.7	203.1
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	5,945.0	165.4
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	5,761.6	(17.9)
Sensitivity 8: Setting required capital at statutory minimum level	5,872.9	93.2
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	5,735.8	(43.7)
Sensitivity 10: 25% increase in implied volatilities of swaptions	5,762.8	(16.7)

The following table shows the effect on the Group's adjusted net worth for sensitivities 1 through 8. For sensitivities 9 through 10, only the value of in-force business is affected.

(billions of yen)

	Increase (decrease)
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	(1,214.4)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	969.1
Sensitivity 3: 10% decline in equity and real estate values	(415.1)
Sensitivity 4: 10% decline in maintenance expenses	0.0
Sensitivity 5: 10% decline in surrender and lapse rate	0.0
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	1.4
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	0.0
Sensitivity 8: Setting required capital at statutory minimum level	7.1

Sensitivity analysis of the Group's value of new business

(billions of yen)

Assumptions	Value of new business	Increase (decrease)
Values for the year ended March 31, 2015	274.0	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	332.1	58.0
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	210.6	(63.4)
Sensitivity 3: 10% decline in equity and real estate values	274.3	0.2
Sensitivity 4: 10% decline in maintenance expenses	290.6	16.5
Sensitivity 5: 10% decline in surrender and lapse rate	303.6	29.5
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	284.6	10.5
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	274.0	0.0
Sensitivity 8: Setting required capital at statutory minimum level	276.2	2.1
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	273.7	(0.3)
Sensitivity 10: 25% increase in implied volatilities of swaptions	273.4	(0.6)

- Sensitivity 1

The item represents the effect on EEV of an upward parallel shift of 50bp in the yield curve of risk-free forward rates. As prices of bonds and loans change, the adjusted net worth changes. Also, as future expected investment yields change, the value of in-force business changes.

In accordance with the EEV principles, life insurers are required to disclose their EEV sensitivities to a 100bp shift in the yield curve. However, taking into consideration the low level of interest rates in Japan, we disclosed our sensitivities to a 50bp shift in the yield curve.
For the business valued using a top-down approach, the item is calculated based on simultaneous upward parallel shift of 50bp in both the investment yields and the risk discount rate.

- Sensitivity 2

The item represents the effect on EEV of a downward parallel shift of 50bp in the yield curve of risk-free forward rates. The lower limit of the risk-free forward rates is assumed to be zero.
For the business valued using a top-down approach, the item is calculated based on simultaneous downward parallel shift of 50bp in both the investment yields and the risk discount rate.

- Sensitivity 3

This item shows the effect on EEV of a decline of 10% in equity and real estate values.

- Sensitivity 4

The item represents the effect on EEV of a decrease of 10% in estimated maintenance expenses associated with maintaining in-force business. This sensitivity does not include impact for Protective Life at this point.

- Sensitivity 5

The item represents the effect on EEV of a decrease of 10% in surrender and lapse rates. This sensitivity does not include impact for Protective Life at this point.

- Sensitivity 6

The item represents the effect on EEV of a decrease of 5% in mortality and morbidity rates for life and medical insurance products. This sensitivity does not include impact for Protective Life at this point.

- Sensitivity 7

The item represents the effect on EEV of a decrease of 5% in mortality and morbidity rates for annuities. This sensitivity does not include impact for Protective Life at this point.

- Sensitivity 8

The item represents the effect on EEV in the event that required capital was changed to

the statutory minimum level in Japan (Dai-ichi Life and DFL), Australia (TAL) and the United States (Protective Life). As items such as subordinated debt and policy reserves in excess of surrender values are regarded as solvency margin within a certain limit under the Japanese solvency margin framework, the cost of holding required capital is not proportional to the level of capital, and the cost to satisfy the statutory minimum level can be nil.

- Sensitivity 9

The item represents the effect on EEV of an increase of 25% in the implied volatilities of equity and real estate values. This is because the value of in-force business should change as the time value of financial options and guarantees changes.

- Sensitivity 10

The item represents the effect on EEV of an increase of 25% in the implied volatilities of swaptions. This is because the value of in-force business should change as the time value of financial options and guarantees changes.

4-2 Sensitivity Analysis by Company

(1) Dai-ichi Life

(billions of yen)

Assumptions	EEV	Increase (decrease)
Values as of March 31, 2015	5,700.8	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	6,057.7	356.9
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	5,246.3	(454.4)
Sensitivity 3: 10% decline in equity and real estate values	5,291.4	(409.3)
Sensitivity 4: 10% decline in maintenance expenses	5,881.9	181.1
Sensitivity 5: 10% decline in surrender and lapse rate	5,879.1	178.3
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	5,846.6	145.8
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	5,682.8	(17.9)
Sensitivity 8: Setting required capital at statutory minimum level	5,729.0	28.2
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	5,686.8	(13.9)
Sensitivity 10: 25% increase in implied volatilities of swaptions	5,682.8	(17.9)

The following table shows the effect on the adjusted net worth for sensitivities 1 through 3. For sensitivities 4 through 10, only the value of in-force business is affected.

(billions of yen)

	Increase (decrease)
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	(1,129.6)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	904.3
Sensitivity 3: 10% decline in equity and real estate values	(412.3)

Sensitivity analysis of Dai-ichi Life's value of new business

(billions of yen)

Assumptions	Value of new business	Increase (decrease)
Values for the fiscal year ended March 31, 2015	198.1	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	257.7	59.6
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	133.0	(65.0)
Sensitivity 3: 10% decline in equity and real estate values	198.3	0.2
Sensitivity 4: 10% decline in maintenance expenses	212.2	14.1
Sensitivity 5: 10% decline in surrender and lapse rate	222.8	24.6
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	204.0	5.9
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	197.9	(0.2)
Sensitivity 8: Setting required capital at statutory minimum level	199.7	1.6
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	197.8	(0.3)
Sensitivity 10: 25% increase in implied volatilities of swaptions	197.4	(0.6)

(2) Dai-ichi Frontier Life

(billions of yen)

Assumptions	EEV	Increase (decrease)
Values as of March 31, 2015	252.7	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	249.4	(3.3)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	255.0	2.2
Sensitivity 3: 10% decline in equity and real estate values	251.2	(1.5)
Sensitivity 4: 10% decline in maintenance expenses	255.5	2.7
Sensitivity 5: 10% decline in surrender and lapse rate	251.4	(1.3)
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	253.4	0.6
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	252.8	0.0
Sensitivity 8: Setting required capital at statutory minimum level	253.6	0.8
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	234.4	(18.3)
Sensitivity 10: 25% increase in implied volatilities of swaptions	254.2	1.4

The following table shows the effect on the adjusted net worth for sensitivities 1 through 3. For sensitivities 4 through 10, only the value of in-force business is affected.

(billions of yen)

	Increase (decrease)
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	(84.8)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	63.9
Sensitivity 3: 10% decline in equity and real estate values	(2.5)

Sensitivity analysis of Dai-ichi Frontier Life's value of new business

(billions of yen)

Assumptions	Value of new business	Increase (decrease)
Values for the fiscal year ended March 31, 2015	58.6	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	58.1	(0.5)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	59.0	0.3
Sensitivity 3: 10% decline in equity and real estate values	58.5	0.0
Sensitivity 4: 10% decline in maintenance expenses	60.0	1.4
Sensitivity 5: 10% decline in surrender and lapse rate	58.4	(0.1)
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	59.1	0.5
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	58.7	0.1
Sensitivity 8: Setting required capital at statutory minimum level	59.1	0.5
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	58.6	0.0
Sensitivity 10: 25% increase in implied volatilities of swaptions	58.6	0.0

(3) TAL

(billions of yen)

Assumptions	EEV	Increase (decrease)
Values as of March 31, 2015	237.8	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	230.5	(7.3)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	245.7	7.8
Sensitivity 3: 10% decline in equity and real estate values	237.3	(0.4)
Sensitivity 4: 10% decline in maintenance expenses	244.5	6.6
Sensitivity 5: 10% decline in surrender and lapse rate	263.9	26.1
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	256.7	18.8
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	237.8	0.0
Sensitivity 8: Setting required capital at statutory minimum level	238.1	0.2
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	237.8	0.0
Sensitivity 10: 25% increase in implied volatilities of swaptions	237.8	0.0

The following table shows the effect on the adjusted net worth for sensitivities 1 through 7. For sensitivity 8 through 10, only the value of in-force business is affected.

(billions of yen)

	Increase (decrease)
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	(1.4)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	1.4
Sensitivity 3: 10% decline in equity and real estate values	(0.2)
Sensitivity 4: 10% decline in maintenance expenses	0.0
Sensitivity 5: 10% decline in surrender and lapse rate	0.0
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	1.4
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	0.0

Sensitivity analysis of TAL's value of new business

(billions of yen)

Assumptions	Value of new business	Increase (decrease)
Values for the fiscal year ended March 31, 2015	17.3	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	16.2	(1.0)
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	18.5	1.1
Sensitivity 3: 10% decline in equity and real estate values	17.3	0.0
Sensitivity 4: 10% decline in maintenance expenses	18.2	0.9
Sensitivity 5: 10% decline in surrender and lapse rate	22.3	4.9
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	21.4	4.0
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	17.3	0.0
Sensitivity 8: Setting required capital at statutory minimum level	17.3	0.0
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	17.3	0.0
Sensitivity 10: 25% increase in implied volatilities of swaptions	17.3	0.0

(4) Protective Life

(billions of yen)

Assumptions	EEV	Increase (decrease)
Values as of February 1, 2015	502.9	-
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	508.9	5.9
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	492.0	(10.9)
Sensitivity 3: 10% decline in equity and real estate values	494.8	(8.0)
Sensitivity 4: 10% decline in maintenance expenses	-	-
Sensitivity 5: 10% decline in surrender and lapse rate	-	-
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	-	-
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	-	-
Sensitivity 8: Setting required capital at statutory minimum level	566.9	63.9
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	491.4	(11.4)
Sensitivity 10: 25% increase in implied volatilities of swaptions	502.7	(0.2)
Sensitivity 11: 50bp upward shift in risk discount rate	490.0	(12.8)
Sensitivity 12: 50bp downward shift in risk discount rate	516.5	13.6

Sensitivities 4 through 7 are not calculated at this point.

The following table shows the effect on the adjusted net worth for sensitivities 1 through 8. For sensitivity 9 through 12, only the value of in-force business is affected.

(billions of yen)

	Increase (decrease)
Sensitivity 1: 50bp upward parallel shift in risk-free yield curve	1.4
Sensitivity 2: 50bp downward parallel shift in risk-free yield curve	(0.6)
Sensitivity 3: 10% decline in equity and real estate values	0.0
Sensitivity 4: 10% decline in maintenance expenses	-
Sensitivity 5: 10% decline in surrender and lapse rate	-
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	-
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	-
Sensitivity 8: Setting required capital at statutory minimum level	7.1

- Sensitivity 11

The item represents the effect on EEV of an upward shift of 50bp of the risk discount

rate for a top-down approach.

- Sensitivity 12

The item represents the effect on EEV of a downward shift of 50bp of the risk discount rate for a top-down approach.

5. Note on Using EV

In calculating the embedded value of the Group, numerous assumptions (some of which are shown in Appendices B and C) are required concerning the Group's lines of business with respect to industry performance, business and economic conditions and other factors, many of which are outside the Group's control. Although the assumptions used represent estimates that the Group believe are appropriate for the purpose of embedded value reporting, future operating conditions may differ, perhaps significantly, from those assumed in the calculation of the embedded value. Consequently, the inclusion of embedded value herein should not be regarded as a statement by the Group, Towers Watson or any other entity, that the stream of future after-tax profits discounted to produce the embedded value will be achieved.

Appendix A: EEV Methodology

The methodology and assumptions adopted by the Group to calculate EEV are market-consistent and in accordance with the EEV Principles and related Guidance issued by the CFO Forum in May 2004 and further EEV Guidance on minimum required disclosures of sensitivities and other items issued by the CFO Forum in October 2005.

1. Covered Business

The covered business represents the life insurance business of the Group (all the businesses and subsidiaries are covered in the EEV calculations).

Consolidated subsidiaries/affiliated companies operating life insurance businesses are treated as follows:

- Dai-ichi Frontier Life and TAL
  EEV of the company attributable to Dai-ichi Life's equity stake in each company is calculated and included in the Group's EEV.
- Protective Life
  EEV of the company attributable to Dai-ichi Life's equity stake in the company is calculated and included in the Group's EEV. EEV for all of its businesses except the variable annuity business is calculated with a top-down approach. EEV for the variable annuity business is calculated with a market-consistent approach. For asset protection business, net assets based on US-GAAP balance sheet are included in adjusted net worth.
  Methodology and assumptions for Protective Life are described in Appendix C.
- Dai-ichi Life Insurance Company of Vietnam, Limited
  As the company has a limited impact on Group EEV, adjusted net worth of Group EEV includes the unrealized gains/losses of the stocks of the company, regarding its TEV as the fair value of Dai-ichi Life's ownership interest.
- The Neo First Life Insurance Company, Limited.
  Sompo Japan DIY Life Insurance Co., Ltd. changed its name to The Neo First Life Insurance Company, Limited on November 25, 2014.
  As the company has a limited impact on Group EEV, EEV is not calculated, and differences in market value and book value of assets have been reflected as unrealized gains (losses) in adjusted net worth.
- Affiliated companies accounted for under the equity method
  EEV is not calculated, and differences in market value and book value of assets have been reflected as unrealized gains (losses) in adjusted net worth.

2. Adjusted Net Worth (Dai-ichi Life, DFL and TAL)

Adjusted net worth is calculated by adjusting the total net assets on the company's balance sheet for the following:

- In order to mark to market, differences in market value and book value of assets have been reflected, specifically differences of bonds held to maturity, policy-reserve-matching bonds, loans, land, building, debt and borrowings etc., after adjusting for tax. For retirement benefits, the sum of unrecognized gains/losses on plan amendments and unrecognized actuarial differences has been used after adjustment for tax.
- Liabilities that are appropriate to be added to the adjusted net worth (contingency reserve, reserve for price fluctuations, unallocated portion of reserve for policyholder dividends, and general reserve for possible loan losses) have been added on an after-tax basis.
- The fair value of the Trust is reported (the fair value of the Trust Fund for Employee Stock Holding Partnership does not exceed the loan amount of the trust fund). The adjustment is made because, although Dai-ichi Life's stocks which the Trust owns are expected to be sold and excluded from the amount of treasury stock in the future, the book value (¥11.5 billion as of March 31, 2014, and ¥9.7 billion as of March 31, 2015) of such stock is deducted from "Total net assets on the balance sheet" as treasury stock.
- Adjusted net worth of DFL is shown after the adjustment regarding the surplus relief reinsurance.

  (Note) Under current statutory accounting practices applicable to life insurance companies in Japan, the initial cost is recognized at the time of sale, and the profit is collected gradually over the contract period. Because the ability of an insurance company to recover the initial cost is subject to the future economic environment, DFL reduces the risk of failing to recover the cost by a surplus relief reinsurance. DFL receives commission to cover the initial cost at the time of sale, and the commission is amortized over the contract period. As a result, DFL can reduce the capital cost of new business. For EEV purposes, we reclassify the future cost for reinsurance from VIF to ANW because we consider the reclassification more appropriately expresses VIF and ANW.
- An adjustment is made for TAL's intangible assets, including goodwill and value of in-force business.

3. Value of in-force business (Dai-ichi Life, DFL and TAL)

The value of in-force business is calculated as (i) certainty equivalent present value of projected after-tax profits, less (ii) time value of financial options and guarantees, less (iii) cost of holding required capital, less (iv) allowance for non-financial risks.

Future profits for each year are estimated based on the assumption that policy reserves are held on a statutory basis in each country.

With regard to reinsurance, both outward and inward reinsurance contracts are reflected.

3-1 Certainty equivalent present value of future profits

The certainty equivalent present value of future profits is the after-tax profits based on the projected cash flows calculated on a deterministic basis, and discounted by the risk-free rate. Investment cash flows are calculated assuming that investment yields of all assets are equivalent to the risk-free rate. The certainty equivalent present value of future profits reflects the intrinsic value of options and guarantees. As described in "2. Adjusted Net Worth", the certainty equivalent present value of future profits of DFL is shown after the adjustment regarding the surplus relief reinsurance.

3-2 Time value of financial options and guarantees

The time value of financial options and guarantees is calculated as the difference between (i) the certainty equivalent present value of future profits and (ii) the average of the present value of future after-tax profits calculated by stochastic methods where economic assumptions are consistent with current market prices for traded assets. For TAL, it is calculated assuming a simple normal distribution, taking into account the limited impact on the results.

Asset allocation is assumed to be the same as the one at the valuation date over the projection periods and any discretion of management in terms of investment strategy is not incorporated.

There are various options in the insurance contracts. The following principal options and guarantees are considered in calculating the time value of financial options and guarantees of the Group using stochastic methods.

- Participating policies options

  When profits arise, policyholder dividends are paid out. On the other hand, when losses arise, the cost of guarantees is not attributed to policyholders. Such asymmetric nature emerges in the net surplus after distribution of policyholder dividends. The value of this option is calculated in the time value of financial options and guarantees by assuming future policyholder dividends along with future profits by stochastic scenarios.

- Minimum guarantees for variable life insurance

  When investment performance is good, policyholders will be entitled to the full amount of the account. On the other hand, when investment performance is poor, an insurance company will bear the cost of guarantees attached to variable life insurance policies. The value of this option is calculated in the time value of financial options and guarantees of the Group.

- Minimum interest-rate guarantee for interest rate-sensitive products

  When interest rates rise, high interest rates are credited to interest rate-sensitive products. On the other hand, even when interest rates decline, the minimum interest rate is guaranteed in some cases. Such asymmetric nature emerges in future cash flows. The value of this option is calculated in the time value of

financial options and guarantees of the Group.

- Policyholder behavior

Policyholders have options depending on the movement of financial markets. The cost of selective lapses, such as the lapses based on the "moneyness" in variable annuities or the relation between assumed interest rate and interest rate in saving products, is reflected in the time value of financial options and guarantees of the Group.

3-3 Cost of holding required capital

This is referred to as "frictional cost" in market-consistent methodology.

In order to maintain financial soundness, life insurance companies are required to hold additional assets in excess of the statutory liability. The cost of holding required capital is the cost incurred through the payment of taxes on the investment income of the assets backing the required capital and the related investment expenses incurred for the management of the assets.

These costs are often referred to as "frictional costs" then applying a market-consistent valuation methodology.

The EEV Principles define the minimum required capital to be equal to the statutory minimum capital requirement, and if the required capital calculated by an internal model exceeds the statutory requirement, an internal model may be used. Dai-ichi Life and DFL define required capital as the level required to maintain 400% level of solvency margin ratio. TAL defines required capital as the level required by the regulations in Australia.

The values of required capital as of March 31, 2014 and March 31, 2015 are ¥813.9 billion and ¥1,257.0 billion, respectively (free surplus as of March 31, 2014 and March 31, 2015 are ¥2,617.4 billion and ¥4,283.7 billion, respectively; required capital and free surplus as of March 31, 2015 include those of Protective Life; the adjusted net worth is represented by the sum of required capital and free surplus).

The European Insurance CFO Forum Market Consistent Embedded Value Principles©[1](the "MCEV Principles") state that required capital should be at least the statutory minimum capital level and should include amounts required to meet internal objectives. The Group will continue investigation in reviewing the definition of required capital, taking into account worldwide trends and discussions on economic value based solvency assessment.

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3-4 Allowance for non-financial risks

EEV Principles define the EV to be the present value of distributable profits attributable to shareholders arising from assets allocated to the covered business, calculated taking into account all the risks of the covered business including non-financial risks.

The uncertainty around the return on most non-financial risks can be diversified away. Thus, for some non-financial risks such as mortality, no further allowance is required, provided the best estimate assumptions are set to provide the mean expected financial outcome to shareholders.

There are some non-financial risks where the existing best estimate experience assumptions do not reflect the mean expected financial outcome to shareholders. A typical example is operational risk. When profits arise, the company pays tax. On the other hand, when losses arise, tax cannot be negative. In such cases, carrying losses on a tax accounting basis are collectable in most cases. However, there is a risk of uncollectibility within the deferrable period, which has also been included in this allowance for non-financial risks.

The Group quantified non-financial risks by a simplified model.

4. Value of new business (Dai-ichi Life, DFL and TAL)

The value of new business for the fiscal year ended March 31, 2015 is the value of new policies issued during the twelve month period, and is calculated by the same method as the value of in-force business. The value of new business is the value at the time of sale of new policies. The profit during the fiscal year ended March 31, 2015 from new business is calculated based on the same assumptions used for the value of in-force business.

For the Group, the value of new business is generally calculated based on economic and non-economic assumptions as of the end of the fiscal year. However, for DFL, the value of new business is calculated separately for the new business acquired during the 1st and the 2nd half of the fiscal year, based on economic and non-economic assumptions as of the end of each period. Additionally, the value of new business for some products of Dai-ichi Life and DFL on which the economic assumptions have significant impact is calculated based on the economic assumptions as of the end of the month of contract issue. Moreover, changes in the Japanese corporate tax system effective from the fiscal year ended March 31, 2015 and scheduled changes in consumption tax are reflected.

In addition to the new policies, net increases in conversions and addition of riders have been included in the value of new business, while renewal of policies is not included.

With regard to the corporate insurance written by Dai-ichi Life, such as group

insurance, corporate pension and workers compensation insurance, the increase of the proportion underwritten by an insurance company in a group scheme, the increase of members in a group scheme and the increase of the sum insured by members in a group scheme are included in the value of new business.

Appendix B: Principal EEV Assumptions (Dai-ichi Life, DFL and TAL)

1. Economic assumptions

(1) Risk-free rate

In the certainty equivalent calculation, for Dai-ichi Life and DFL the Japanese Government Bond (JGB) is used, and for DFL and TAL Australian swap rate is used, as a proxy for risk-free rates, taking assets in each company's portfolio and the liquidity in the market into account.

Issues such as the proxy for risk-free rates, liquidity premium and extrapolation beyond the last liquid data point, are discussed broadly, for example, in the 5th Quantitative Impact Study (QIS5) and long-term guarantees assessment of European Solvency II, CRO Forum and so on. For extrapolation under QIS5 technical specification purposes, term structures of interest rates for various currencies are set based on a method using the ultimate forward rate.

For risk-free rates (forward rates) in the 31st year and beyond, we extrapolate the yield curve taking into account the yield curve of Japanese swap rate due to the low liquidity of ultralong-term bonds in the market beyond a 30 year maturity, for which no standard model exists. For Australian swap, we assume that forward rates in the 31st year and beyond are equal to those in the 30th year. The table below shows, for selected terms, the risk-free rates (spot rates) which are used in the calculations.

Term	JGB		Australian swap rate	
	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015
1 Year	0.058%	0.030%	2.769%	2.085%
2 Year	0.072%	0.037%	3.041%	1.935%
3 Year	0.112%	0.057%	3.314%	2.119%
4 Year	0.150%	0.093%	3.558%	2.214%
5 Year	0.174%	0.131%	3.784%	2.320%
10 Year	0.641%	0.402%	4.591%	2.762%
15 Year	1.129%	0.817%	4.986%	2.998%
20 Year	1.679%	1.198%	5.093%	3.110%
25 Year	1.811%	1.406%	5.128%	3.166%
30 Year	1.849%	1.450%	5.102%	3.160%
35 Year	1.908%	1.473%	5.073%	3.146%
40 Year	1.997%	1.502%	5.051%	3.136%
45 Year	2.073%	1.526%	5.034%	3.128%
50 Year	2.134%	1.545%	5.020%	3.122%

(Source: Bloomberg, after interpolation/extrapolation as of March 31, 2014; Ministry of Finance Japan and Bloomberg, after interpolation/extrapolation as of March 31, 2015)

(2) Principal dynamic assumption

In the EEV calculation for Dai-ichi Life and DFL, dynamic assumptions are used. For TAL, dynamic assumptions are not used.

i. Interest rate model

As an interest rate model, the Group has adopted a single-factor Hull-White model, in which interest rates associated with Japanese yen, U.S. dollars, Euro and Australian dollars are calculated. The model has been adjusted to be in line with a risk-neutral approach in which Japanese yen is set as a base currency, and correlations between the interest rates have been also taken into account. The interest rate model has been calibrated consistently with the market environment as of each reporting date, and parameters used are estimated from the yield curve and implied volatilities of interest rate swaptions with various maturities. 5,000 scenarios are used in calculating time value of financial options and guarantees through stochastic method. These scenarios have been generated by Towers Watson. Summary of implied volatilities of interest rate swaptions used to calibrate the scenarios are as follows:

Interest rate swaptions

		March 31, 2014				March 31, 2015			
Option Term	Swap Term	JPY	USD	EUR	AUD	JPY	USD	EUR	AUD
5Year	5Year	36.8%	23.6%	30.9%	16.2%	47.0%	37.3%	84.6%	27.1%
5Year	7Year	32.2%	22.4%	28.7%	15.3%	43.3%	35.8%	82.3%	26.0%
5Year	10Year	27.8%	21.0%	26.8%	14.6%	38.5%	34.6%	83.6%	25.0%
7Year	5Year	29.1%	21.4%	26.1%	14.6%	38.7%	34.6%	83.5%	25.1%
7Year	7Year	26.7%	20.7%	25.2%	14.1%	35.9%	33.7%	82.5%	24.2%
7Year	10Year	24.6%	19.8%	24.7%	13.8%	33.7%	32.8%	84.3%	23.4%
10Year	5Year	23.9%	19.2%	23.4%	13.5%	32.8%	31.9%	95.0%	23.3%
10Year	7Year	22.9%	18.8%	23.4%	13.2%	30.9%	31.3%	95.7%	22.6%
10Year	10Year	22.5%	18.3%	23.7%	13.1%	29.8%	30.1%	101.0%	22.0%

(Source: Bloomberg)

ii. Implied volatilities of equities and currencies

Volatilities of traditional equity indices and currencies are calibrated based on implied volatilities of relevant options traded in the market. Implied volatilities used to calibrate the scenarios are as follows:

Stock Options

Currency	Underlying Asset	Option Term	Volatility	
			March 31, 2014	March 31, 2015
JPY	Nikkei 225	3 Year	20.7%	20.3%
		4 Year	20.6%	20.4%
		5 Year	20.6%	20.6%
USD	S&P 500	3 Year	17.2%	19.6%
		4 Year	18.1%	21.0%
		5 Year	19.1%	22.2%
EUR	EuroStoxx 50	3 Year	18.4%	21.1%
		4 Year	18.6%	21.5%
		5 Year	18.8%	21.7%

(Source: Towers Watson analysis of Markit data)

Currency Options

Currency	Option Term	Volatility	
		March 31, 2014	March 31, 2015
USD	10 Year	16.5%	14.2%
EUR	10 Year	17.4%	14.7%
AUD	5 Year	15.9%	14.0%

(Source: Bloomberg)

iii. Volatilities of real estate and other asset classes

Market-consistent implied volatilities have not been observed with regard to real estate. Therefore, the volatility of real estate has been derived by multiplying the historical volatility ratio (105.8%) of Tokyo Stock Exchange REIT index to Nikkei225 (Nikkei stock average) by the implied volatility of Japanese equity.
In addition, foreign real estate and emerging equity/bond markets are modeled as an asset class in stochastic calculation for variable type products. Volatilities of those asset classes have been derived in the same manner.

iv. Correlations

In addition to implied volatilities described above, Dai-ichi Life has calculated implied

volatilities reflecting its asset portfolio and correlation factors. The share of each asset is assumed to be unchanged over the projection periods.

With regard to correlation factors, market-consistent data from exotic options with sufficient liquidity have not been observed in the market. Therefore, we estimated correlation factors based on historical market data. Specifically, the monthly data for 10 years to most recent have been used. The following table shows correlation factors between major variables.

	Short Rate /JPY	Short Rate /USD	Short Rate /EUR	Exchange Rate /USD	Exchange Rate /EUR	Stock Index /JPY	Stock Index /USD	Stock Index /EUR	REIT Index /TSE REIT Index
Short Rate /JPY	1.00	0.43	0.44	0.29	0.18	0.34	0.21	0.25	0.14
Short Rate /USD	0.43	1.00	0.66	0.52	0.34	0.39	0.31	0.30	0.24
Short Rate /EUR	0.44	0.66	1.00	0.38	0.54	0.43	0.45	0.46	0.32
Exchange Rate /USD	0.29	0.52	0.38	1.00	0.61	0.60	0.25	0.29	0.32
Exchange Rate /EUR	0.18	0.34	0.54	0.61	1.00	0.67	0.59	0.49	0.42
Stock Index /JPY	0.34	0.39	0.43	0.60	0.67	1.00	0.69	0.69	0.67
Stock Index /USD	0.21	0.31	0.45	0.25	0.59	0.69	1.00	0.84	0.57
Stock Index /EUR	0.25	0.30	0.46	0.29	0.49	0.69	0.84	1.00	0.47
REIT Index /TSE REIT Index	0.14	0.24	0.32	0.32	0.42	0.67	0.57	0.47	1.00

(Source: Ministry of Finance Japan and Bloomberg)

(3) Assumed investment yield on each asset used for the expected return calculation
Assumed investment yield on each asset used for the calculation of "Expected existing business contribution (in excess of risk-free rate)" in "3. Movement Analysis" for Dai-ichi Life and DFL is as follows:

	Assumed investment yield
Cash and deposits, call loans	0.06%
Fixed income assets	0.96%
Domestic stocks	4.26%
Foreign bonds	3.56%
Other assets	3.86%

The assumed investment yield used for the calculation of "Expected existing business contribution (in excess of risk-free rate)" is calculated by multiplying the share of each asset as of March 31, 2014 by the assumed investment yield of each asset above. For Dai-ichi Life, the weighted-average assumed investment yield is 1.63%. For fixed products of DFL, assumed investment yield is calculated separately to correspond to the property of the assets.
For TAL, no expected return in excess of risk-free rate is assumed.

(4) Exchange rate
TAL's EEV and DLVN's TEV are calculated in local currency and converted into JPY by following rates;

	March 31, 2014	March 31, 2015
AUD 1.00	JPY 95.19	JPY 92.06

	December 31, 2013	December 31, 2014
VND 1.00	JPY 0.0050	JPY 0.0056

2. Non-economic assumptions
All cash flows (premium, operating expense, benefits and claims, cash surrender value, tax, etc.) are projected applying the best estimate assumptions up to the termination of the policies, by product, referring to past, current and expected future experience.

- Operating expenses (maintenance expenses)
  Operating expenses are set based on the experience of each company. The look-through basis is applied in terms of operating expenses of insurance business in the Group.
  - For Dai-ichi Life and DFL, adjustments are made for one-time expenses which

are considered to be non-recurrent in the future. For Dai-ichi Life, the amount added to the expense assumption is ¥0.4 billion (for the fiscal year ended March 31, 2015) which corresponds to the one-time benefit related to retirement plan reform. For DFL, the amount added to the expense assumption is ¥0.3billion (for the fiscal year ended March 31, 2015) which corresponds to the one-time costs for head office relocation expenses and the one-time benefit related to IT system development.

- For Dai-ichi Frontier Life, operating expenses are assumed to decrease for a certain period of time, because it has operated for only a short period of time and the improvement of operating efficiency is expected in the future. Therefore, a decrease of unit-cost (by 4% per annum on average) for 4 years is assumed, based on future new business and future operating expenses along with the mid-term business plan, while taking into account recent developments.
- For Dai-ichi Life and DFL, increases in consumption tax in future years (8% until March 2017 and 10% thereafter) are assumed due to revision of the consumption tax system.
- Future inflation rate is assumed to be zero for Dai-ichi Life and Dai-ichi Frontier Life. It is assumed to be 2.75% p.a. for TAL.

- Policyholder dividends

For Dai-ichi Life and TAL, policyholder dividend rate is set based on the current dividend policy. The rate of Dai-ichi Life is consistent with the post-demutualization policyholder dividend policy, stated in the plan for demutualization.

For Dai-ichi Frontier Life, no assumption of policyholder dividend rate is set, as it sells only non-participating policies.

- Effective tax rates

Effective tax rates are set based on the most recent effective tax rate (including local tax) for each company.

Dai-ichi Life: 28.76%

Dai-ichi Frontier Life: 28.84%

TAL: 30.00%

Appendix C: EEV Methodology and Assumptions of Protective Life

1. Adjusted Net Worth ("ANW")

(1) Total net assets

Total net assets on the balance sheet is comprised of the following three components:

Statutory capital and surplus (sum of Protective Life's subsidiaries):
The starting point for the ANW is the statutory capital and surplus of the life insurance companies. This is taken directly from the statutory annual statement for Protective Life's subsidiary as of December 31, 2014 (3,498USD million). The statutory capital and surplus is rolled-forward one month to February 1, 2015. This includes expected statutory income from existing policies, expected new business strain, and expected investment income on the initial surplus.

Value of non-life entities:
GAAP equity book value of non-life entities is reflected in this component rather than in statutory capital and surplus.

Adjustment for holding company's equity:
The ANW is adjusted to reflect the net GAAP equity position of the holding company (Protective Life).

(2) Retained earnings in liabilities

Liabilities that are appropriate to be added to the adjusted net worth have been added. The asset valuation reserve is a required liability in the statutory balance sheet of U.S. life insurance companies. The asset valuation reserve is regarded as allocated surplus and is included in ANW.

(3) Adjustment for deferred tax assets and miscellaneous items

This includes (i) deduction of the deferred tax assets on the statutory balance sheet and (ii) addition of assets which have a certain economic value but which are not recorded on the statutory balance sheet.

2. Value of in-force business

- VA business (market-consistent approach)
  The value of in-force business for the VA business is calculated based on the same methodology as described in "3. Value of in-force business" section in Appendix A. Protective Life defines required capital as the level required to maintain 400% of NAIC Company Action Level ("CAL") Risk-Based Capital ("RBC").
- Non-VA businesses (top-down approach)
  The value of in-force is calculated by deducting the cost of holding required

capital from the present value of future profits. The time value of financial options and guarantees is not material for the non-VA business.

The present value of future profits is the after-tax statutory profits of non-VA in-force covered business based on projected cash flows calculated on a deterministic basis, and discounted by an appropriate risk discount rate. Investment cash flows are calculated based on February 1, 2015 economic assumptions and on current and expected asset allocations.

The cost of holding required capital is a spread between the investment yield and the discount rate for holding the required capital.

Protective Life defines required capital as the level required to maintain 400% of CAL RBC for most of its business.

3. Economic Assumptions for VA business

U.S. Dollar based market-consistent assumptions as of February 1, 2015 are used for the VA business, which are determined similarly to the approach described in Appendix B.

(1) Risk-free rate

For Protective Life's VA business, US dollar swap rate is used as a proxy for risk-free rates. The table below shows, for selected terms, the risk-free rates (spot rates) which are used in the calculations.

Term	US dollar swap rate
	January 31, 2015
1 Year	0.40%
2 Year	0.71%
3 Year	0.99%
4 Year	1.21%
5 Year	1.37%
10 Year	1.84%
15 Year	2.08%
20 Year	2.19%
25 Year	2.20%
30 Year	2.23%
35 Year	2.24%
40 Year	2.25%
50 Year	2.20%

(Source: Bloomberg, after interpolation)

(2) Interest rate models

Summary of implied volatilities of interest rate swaptions used to calibrate the scenarios are as follows:

		January 31, 2015
Option Term	Swap Term	USD
5 Year	5 Year	40.6%
5 Year	7 Year	38.8%
5 Year	10 Year	37.0%
7 Year	5 Year	38.1%
7 Year	7 Year	36.8%
7 Year	10 Year	35.3%
10 Year	5 Year	35.1%
10 Year	7 Year	34.3%
10 Year	10 Year	32.9%

(Source: Bloomberg)

(3) Implied volatilities of equities and other assets

Implied volatilities used to calibrate the scenarios are as follows:

Currency	Underlying Asset	Option Term	Volatility
			January 31, 2015
USD	S&P 500	1Year	18.0%
		2Year	19.3%
	Russell 2000	1Year	21.8%
		2Year	22.6%
	Barclays US Aggregate Bond Fund	1Year	4.3%
		2Year	4.3%

(Source: Towers Watson analysis of Markit data, Bloomberg)

(4) Correlations

The following table shows correlation factors between major variables.

	USD Risk-free rate	S&P 500	Russell 2000	Barclays US Aggregate Bond Fund
USD Risk-free rate	1.00	0.21	0.25	(0.83)
S&P 500	0.21	1.00	0.92	0.05
Russell 2000	0.25	0.92	1.00	(0.02)
Barclays US Aggregate Bond Fund	(0.83)	0.05	(0.02)	1.00

(Source: Bloomberg)

4. Economic Assumptions and Risk Discount Rate for Non-VA businesses

(1) Economic assumptions

Investment cash flows for the top-down approach are based on current and expected asset allocations and the economic environment as of February 1, 2015. Key economic assumptions include the level of government bond rates, credit spreads, default rates and investment expenses. Government bond rates and credit spreads were set equal to January 31, 2015 levels. No changes to February 1, 2015 levels were projected. Existing yields as of February 1, 2015 are as follows:

	Current Yield (%)
Corporate Bonds	5.64
Others	4.73
Grand Total	5.32

(Note) Statutory basis, before default

Reinvestment yields vary by liability group, in accordance with the characteristics of the liabilities and actual practice, and are determined based on the current and expected future reinvestment strategy.

Reinvestment rates by main liability group are as follows:

Main Products	Reinvestment Rates
Universal Life and VUL	3.79-4.09%
Traditional and term life	3.36-3.83%
Fixed annuities	2.80-3.83%
MVA annuities	1.98-2.39%

(Note 1) Before default

(Note 2) Rates vary by product type

Default rates, which apply to existing assets and reinvestments, are determined by asset type, duration, and rating, where applicable, based on historical studies.
Expected default cost net of recovery are as follows:

	Default cost (bp)
Existing assets	25
Reinvested assets*(Note)*	
Universal Life and VUL	25-37
Traditional and term life	23-28
Fixed annuities	17-28
MVA annuities	11-15

(Note) Costs vary by product type

Since equity and property assets are a low proportion of general account assets, the "100 basis point pa increase in the yield on equity/property assets (as a change in the equity or property risk premium with no consequential changes to discount rates)" sensitivity is not calculated.

(2) Risk discount rate

The risk discount rate is set using a weighted average cost of capital approach (WACC) taking into account the cost of equity and cost of debt. The risk discount rate as of February 1, 2015 is 6.5%, which consists of a risk-free rate of 1.67% (10 year U.S. government bond yield as of January 31, 2015) and a risk margin of 4.83%.

5 Non-economic assumptions

All cash flows (premium, operating expense, benefits and claims, cash surrender value, tax, etc.) are projected applying the best estimate assumptions up to the termination of the policies, by product which reflect past, current and expected future experience.
Future credited rates and policyholder dividends are based on current credited rate setting methods and policyholder dividend strategies.

Dynamic policyholder behavior is applied where appropriate.
The future inflation rate is assumed to be 2.5% p.a. and is applied to the best estimate unit expense assumptions.
The tax rate is set at 35% and is applied to the projected taxable income.

6 Exchange rate

The EEV of Protective Life is calculated in local currency and converted into JPY using the following rate:

	January 31, 2015
USD 1.00	JPY 118.25

Appendix D: Actuarial Opinion

Dai-ichi Life requested Towers Watson, an independent actuarial firm, to review the calculation of the Group's EEV and obtained the following opinion.

Towers Watson has reviewed the methodology and assumptions used to determine the embedded value results as at March 31, 2015 for Dai-ichi Life Group. The review covered the embedded value as at March 31 2015, the value of new business issued in fiscal year 2014, the analysis of movement in the embedded value during fiscal year 2014 and the sensitivities of the embedded value and new business value to changes in assumptions.

Towers Watson has concluded that the methodology and assumptions used comply with the EEV Principles. In particular:

- The methodology makes allowance for the aggregate risks in the covered business:
  - For Dai-ichi Life Group excluding Protective's non-VA businesses, through Dai-ichi Life's bottom-up methodology as described in Appendix A of this document, which includes a stochastic allowance for financial options and guarantees, and deductions to allow for the frictional cost of required capital and the impact of non-financial risks, and
  - For Protective's non-VA businesses, through Dai-ichi Life's top-down methodology as described in Appendix C of this document, which incorporates risk margins in the discount rates applied to best estimate deterministic projections of after-tax statutory profits and the deduction of the cost of risk-based capital relating to the business. Consequently, it should be noted that the results for Dai-ichi Life Group, in particular Protective's non-VA business, may materially differ from a capital market valuation of such risk (so called "market consistent valuation");
- The operating assumptions have been set with appropriate regard to past, current and expected future experience;
- The economic assumptions used are internally consistent and consistent with observable market data; and
- For participating business, the assumed policyholders' dividend rates, and the allocation of profit between policyholders and shareholders, are consistent with the projection assumptions, established company practice and local market practice.

The methodology and assumptions also comply with the EEV Guidance, with the disclosed exceptions of showing the sensitivity of a 0.5% change in interest rates (rather than 1%) and not showing a sensitivity for a 1% p.a. increase in the yield on equity/property assets. Also, the sensitivities for maintenance expenses, surrender and lapse rates and, mortality and morbidity rates do not include the impact of the assumption changes on the business of Protective Life.

Towers Watson has also reviewed the results of the calculations, without however undertaking detailed checks of all the models, processes and calculations involved. On the basis of our review, Towers Watson is satisfied that the disclosed results have been prepared, in all material respects, in accordance with the methodology and assumptions set out in this disclosure document. It should be noted that a 1 February 2015 valuation date is used for the Protective business as this aligns with the closing date for the Group's consolidated financial statements. The VNB results do not allow for business written by Protective, as the 1 February 2015 completion date of the acquisition of Protective is aligned with the valuation date of the Protective business for the 31 March 2015 embedded value.

In arriving at these conclusions, Towers Watson has relied on data and information provided by Dai-ichi Life, including estimates for the market value of assets for which no market prices exist. This opinion is made solely to Dai-ichi Life in accordance with the terms of Towers Watson's engagement letter. To the fullest extent permitted by applicable law, Towers Watson does not accept or assume any responsibility, duty of care or liability to anyone other than Dai-ichi Life for or in connection with its review work, the opinions it has formed, or for any statement set forth in this opinion.

Appendix E: Glossary

Allowance for Non-financial Risks	Explicit cost for asymmetric non-financial risks such as operational risks.
Best Estimate Assumption	An assumption that represents the mean expected financial outcome to shareholders from the range of possible outcomes for future experience of that assumption.
Certainty Equivalent Present Value of Future Profits / Present Value of Future Profits	For a market consistent approach, the Certainty Equivalent Present Value of Future Profits is the present value of future statutory after-tax profits, projected over the life time of the policies in a scenario where all investments are assumed to earn the risk-free rate and future statutory after-tax profits are discounted at the risk-free rate. For a top-down approach, the Present Value of Future Profits is the present value of future statutory after-tax profits, projected over the life time of the policies in a scenario where assumed investment returns include allowance for expected investment risk premiums and future statutory after-tax profits are discounted at a risk discount rate.
CFO Forum	The CFO Forum is a high-level discussion group formed and attended by the Chief Financial Officers of major European insurance companies. Its aim is to discuss issues relating to financial reporting developments for their businesses and how they can create greater transparency for investors. The CFO Forum was created in 2002.
Cost of Holding Required Capital	Cost of Holding Required Capital is the decrease in present value of distributable profits attributable to shareholders, related to holding required capital. For a market-consistent approach, this is called “frictional cost”, and this reflects the investment and taxation costs incurred by shareholders through investing required capital in the company rather than directly. For a top-down approach, a spread between the investment yield and the discount rate for holding the required capital is included.
Discount rate / Risk	A discount rate is used for discounting future profits in

discount rate	calculating the value of in-force and new business. For a market-consistent approach, a risk-free rate is used as the discount rate. For a top-down approach, the discount rate includes a risk margin. For the purpose of this report, risk discount rate indicates the risk discount rate for a top-down approach.
EEV Principles	European Embedded Value (EEV) Principles were published by the CFO Forum in May 2004, together with additional guidance on disclosures in October 2005, addressed the treatment of options and guarantees and provided the insurance industry with improved sensitivities and disclosures.
Implied Volatility	The implied volatility of an option contract is the volatility implied by the market price of the option.
Look-through Basis	A basis via which the impact of an action on the whole group, rather than on a particular part of the group, is measured.
Market-consistent Approach	A measurement approach where economic assumptions are such that projected asset cash flows are valued consistently with current market prices for traded assets.

MCEV Principles	The European Insurance CFO Forum Market Consistent Embedded Value Principles (Copyright© Stichting CFO Forum Foundation 2008) were published by CFO Forum in June 2008 to ensure the valuation to be on a market consistent basis and to improve comparability between companies. However, in October 2009, in light of severe market conditions, the principles were revised and it was decided to defer mandatory MCEV reporting for all members until year-end 2011, and in April 2011, the mandatory MCEV reporting from year-end 2011 was withdrawn by the CFO Forum.
Required Capital	The amount of assets, over and above the value placed on liabilities in respect of covered business, whose distribution to shareholders is restricted.
Risk-free Rate	Prospective yields on securities to be considered to be free of default or credit risk.
Solvency II QIS5	Solvency II is an economic capital based new regulatory framework for insurance companies in Europe. It will be effective from January 1, 2016. A number of quantitative impact studies were conducted in preparation for the introduction of the new framework. The 5th quantitative impact study (QIS5) started in August 2010, and the result was disclosed in March 2011.
Stochastic Method	Techniques that incorporate the potential future variability in assumptions affecting their outcome.
Swaption	A swaption is an option giving the holder the right to enter into a certain swap at a certain time in the future.
Time Value of Financial Options and Guarantees	An option feature has two elements of value, the time value and intrinsic value. Intrinsic value is that of the most valuable benefit under the option under conditions at the valuation date. Time value is the additional value ascribable to the potential for benefits under the option to increase in value prior to expiry.
Top-down approach	A measurement approach that uses a risk discount rate, typically based on a company's weighted average cost of capital to allow for risk.