Note: This Convocation Notice is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.

Dai-ichi Life Holdings, Inc.
(Securities Code: 8750)

# Convocation Notice of the Annual General Meeting of Shareholders for the 7th Fiscal Year

**Date and Time:**

10:00 a.m. on Monday, June 26, 2017
(Reception scheduled to open at 9:00 a.m.)

**Venue:**

GRAND NIKKO TOKYO DAIBA (formerly GRAND PACIFIC LE DAIBA)
Palais Royal on the first basement level,
6-1, Daiba 2-chome, Minato-ku, Tokyo

**Matters to be Resolved:**

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Ten (10) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
Proposal 3: Election of the Independent Auditor

To Our Shareholders

I would like to take this opportunity to thank you, our shareholders, for your support of Dai-ichi Life Holdings, Inc.

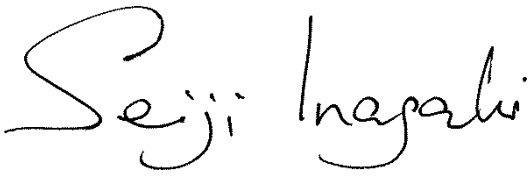
My name is Seiji Inagaki and on April 1, 2017, I assumed the position of President of Dai-ichi Life Holdings, Inc.

The Dai-ichi Life Group transitioned to a holding company structure in October 2016. We have positioned this opportunity as the start of the “Second stage of our New Foundation” with the aim to further accelerate growth, following the first stage of our “New Foundation”, which was Dai-ichi Life’s demutualization in April 2010.

The Group will continue to innovate and strive to become an insurance group that is chosen by our customers, both in Japan and around the world, and we will continue to stand by our customers, “By your side, for life”.

We look forward to your ongoing support.

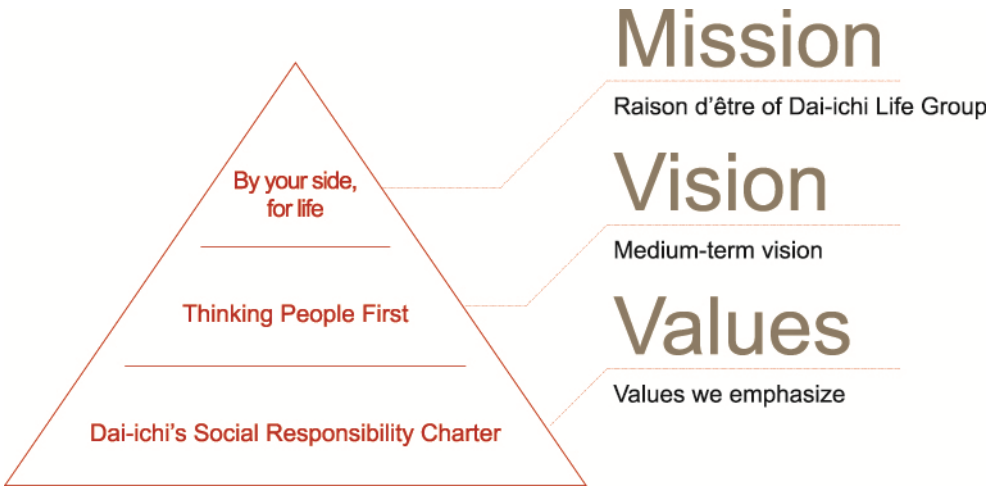
June 2017



President and Representative Director
Dai-ichi Life Holdings, Inc.

## Group Mission, Vision and Values

Dai-ichi Life Holdings, Inc. and its subsidiaries (the “Group”) will contribute to comfortable lives with peace of mind and the development of local communities in their respective regions and countries, providing life insurance and related services by sharing the Group’s principles (Mission, Vision and Values). We will strive to maximize the value of the Group and aim for sustainable growth by sharing the Group’s strategies with each company, moving forward together in the same direction.



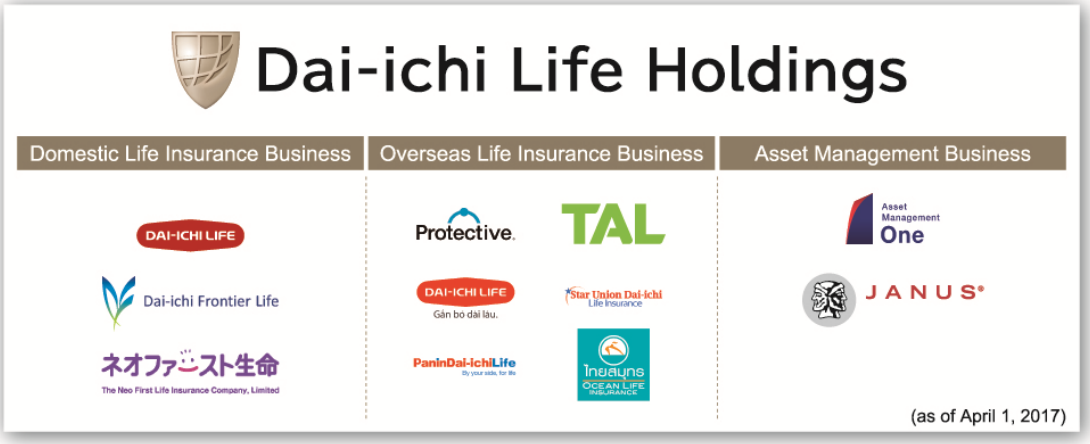



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## Corresponding Table of Corporate Governance Code

| Items under the Corporate Governance Code | Description in this Convocation Notice | Reference pages |
|---|---|---|
| Principle 2.1,<br>Principle 3.1 (i) | Business Principles as the Foundation of Corporate Value Over the Mid- to Long-Term,<br>Formulating Company Objectives, Business Strategies and Business Plans | 2, 24-34 |
| Principle 2.4 | Ensuring Diversity, Including Active Participation of Women | 34 |
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| Principle 4.10,<br>Supplementary Principle 4.10.1 | Use of Optional Approach | 20, 21 |
| Supplementary Principle 4.11.1 | Approach to the Composition of the Board of Directors | 20 |

## Mention about Profitability and Capital Productivity

| Indicators of profitability and capital productivity | Reference pages |
|---|---|
| Group Adjusted Profit<br>Group adjusted profit is a sum of the adjusted profit of the group companies. | 37 |
| Fundamental Profit<br>Fundamental profit is one of the indicators that show the core profit and loss situation of a life insurance company during the period under review. | 37 |
| ROE, Operating ROE<br>These indicators show the Group's return on equity. Life insurance companies have unique business characteristics and their capital productivity cannot be accurately measured only by using ROE. Accordingly, the Group sets Operating ROE, a proprietary indicator of the Group representing capital productivity as one of the performance indicators for management. | 38 |
| Embedded Value (EV)<br>Embedded Value (EV) is one of the indicators of corporate value of life insurance companies. | 39 |
| ROEV<br>ROEV, an indicator of EV growth, is considered to supplement ROE under the Statutory Accounting Standards. The Group sets ROEV as one of the management indicators relating to enhanced corporate value. | 39 |
| Solvency Margin Ratio<br>Solvency margin ratio is one of the indicators used by the supervising administrative agency to ascertain the extent to which an insurance company can meet payment obligations in the event risks exceed the normally anticipated level. | 40 |

(Securities Code: 8750)
June 2, 2017

To our shareholders

Seiji Inagaki
President and Representative Director

Dai-ichi Life Holdings, Inc.
13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo

**Convocation Notice of the Annual General Meeting of Shareholders for the 7th Fiscal Year**

I would like to take this opportunity to thank you, our shareholders, for your support of Dai-ichi Life Holdings, Inc. (the "Company").

Notice is hereby given that the Annual General Meeting of Shareholders for the 7th Fiscal Year (the "Meeting") of the Company will be held as set forth below. You are cordially invited to attend the Meeting.

**If you are not able to attend the Meeting, you may exercise your voting rights in writing (using the Voting Right Exercise Form) or by electromagnetic method (via the Internet). Please review the Reference Materials for the Meeting described below (pages 9 through 21), and exercise your voting rights in accordance with the "Guidance on the Exercise of Voting Rights" (pages 7 through 8) no later than 5:00 p.m. on Friday, June 23, 2017.**

### Disclosures on the Company's website

From among the documents required to be attached hereto, the following matters are posted on the Company's website pursuant to the provisions of laws and regulations, and the provisions under Article 20 of the Articles of Incorporation of the Company.

**(1) Principal Offices of the Corporate Group, Employees of the Corporate Group, Matters regarding Stock Acquisition Rights, etc. and System for Ensuring Appropriate Operations of the Business Report**
**(2) Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements**
**(3) Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements**

The Audit & Supervisory Committee has audited the above matters (1), (2), and (3), in addition to the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, which are stated in the attachment to this notice. The Independent Auditor has audited the above matters (2) and (3), in addition to the Consolidated Financial Statements and Non-Consolidated Financial Statements, which are stated in the attachment to this notice.
The Company's website: http://www.dai-ichi-life-hd.com/investor/share/meeting/index.html

Particulars

| | | |
|---|---|---|
| 1 | Date and Time: | **10:00 a.m. on Monday, June 26, 2017**<br>(Reception scheduled to open at 9:00 a.m.) |
| 2 | Venue: | **GRAND NIKKO TOKYO DAIBA**<br>**Palais Royal on the first basement level,**<br>6-1, Daiba 2-chome, Minato-ku, Tokyo<br>(The name of the hotel has been changed, but the meeting venue is unchanged from the previous year. Please see the Directions to the Site for the General Meeting of Shareholders on the back cover (translation omitted).) |
| 3 | Purpose of the Meeting: | |
| | Matters to be Reported: | Report on the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, and the Audit Results of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Committee for the Fiscal Year ended March 31, 2017 (from April 1, 2016 to March 31, 2017) |
| | Matters to be Resolved: | **Proposal 1:** Appropriation of Surplus<br>**Proposal 2:** Election of Ten (10) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)<br>**Proposal 3:** Election of the Independent Auditor |

- If you attend the Meeting in person, please present the enclosed Voting Right Exercise Form to reception at the venue. In case of attendance by proxy, you may arrange to do so by appointing as a proxy only one of the shareholders who is entitled to vote at the Meeting and by presenting a document that evidences his or her proxy.
- Corrections, if any, to the Reference Materials for the Meeting or the attachments will be posted on the Company's website.(http://www.dai-ichi-life-hd.com/investor/share/meeting/index.html)

## Guidance on the Exercise of Voting Rights

Please be informed that you may exercise your voting rights either in writing (using the Voting Right Exercise Form) or by the electromagnetic method (via the Internet).

### If you attend the Meeting in person

Please present the enclosed Voting Right Exercise Form to reception at the venue without detaching the right side of the form.

Time and date: 10:00 a.m. on Monday, June 26, 2017

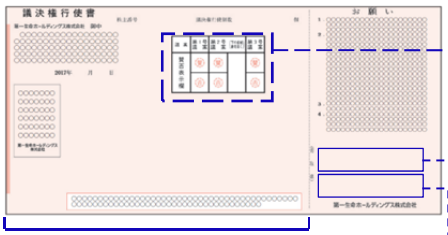
### If you are unable to attend the Meeting in person

**Exercise of Voting Rights by postal mail of the Voting Right Exercise Form**

Please indicate your vote(s) for or against each proposal on the enclosed Voting Right Exercise Form and return the form so that it arrives by the deadline.

Deadline: Delivery by 5:00 p.m. on Friday, June 23, 2017

Instructions on filling in the Voting Right Exercise Form



Please detach and mail the above left part of the form.

Temporary Password

Voting Right Exercise Code

▶Please indicate your vote for or against each proposal.

| Proposals 1 and 3 | |
|---|---|
| To approve: | Circle the “賛” box. |
| To disapprove: | Circle the “否” box. |

| Proposal 2 | |
|---|---|
| To approve all candidates | Circle the “賛” box. |
| To disapprove all candidates | Circle the “否” box. |

* To approve or disapprove specific candidates, please fill in the numbers of the candidates.

If you present the Voting Right Exercise Form without indicating approval or disapproval for any proposal, you will be deemed to have approved the proposal.

**Exercise of Voting Rights via the Internet**

The Voting Right Exercise Code and Temporary Password are required.

Please visit the website for the exercise of voting rights designated by the Company and exercise your voting rights by following the on-screen instructions.

Deadline: 5:00 p.m. on Friday, June 23, 2017

See the next page for details.

Please note that if you attend the Meeting in person, you will be deemed to have revoked any votes you have exercised before the Meeting.

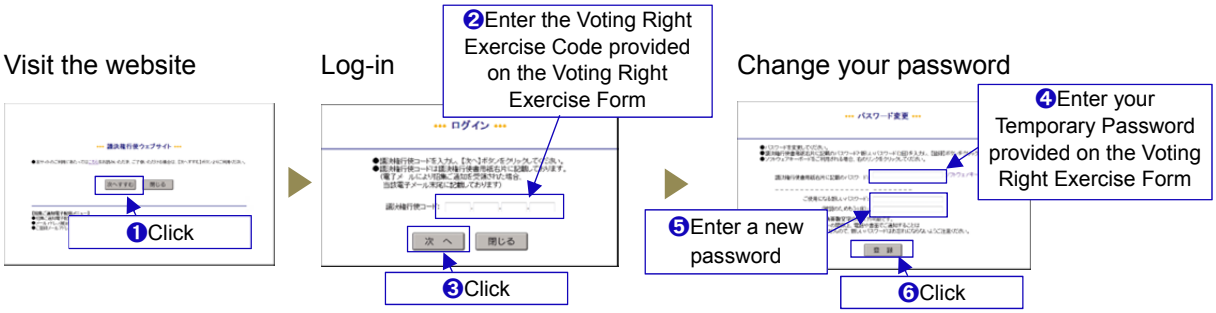
## Guidance on the Exercise of Voting Rights via the Internet

Please confirm the following items before exercising your voting rights via the Internet.

**Website for the exercise of voting rights** **http://www.it-soukai.com/**

* Upon accessing the above URL, you will be guided to the website for the exercise of voting rights operated by Mizuho Trust & Banking Co., Ltd.
* If you have a smartphone or mobile phone with barcode-reading capability, you can visit the website for the exercise of voting rights by scanning the “QR code®.”
  (“QR code®” is a registered trademark of DENSO WAVE INCORPORATED.)
* Depending on your browser or Internet user environment, you may be unable to exercise your voting rights via the website for the exercise of voting rights.
* The cost of Internet access (access fees to providers, telecommunications fees, etc.) shall be borne by the shareholders.

## Procedures for exercising your voting rights




Upon taking the above steps, please exercise your voting rights by following the instructions on the screen.

## Handling when voting rights are exercised two or more times.

* If you exercise your voting rights both in writing and via the Internet, your Internet vote will be counted as the valid vote.
* If you exercise your voting rights more than once via the Internet, the last vote will be counted as the valid vote.

| | |
|---|---|
| **Reference for exercising voting rights via the Internet** | Mizuho Trust & Banking Co., Ltd.<br>Stock Transfer Agency Department:<br>Toll Free only from Japan: **0120-768-524**<br>9:00 a.m. to 9:00 p.m. Japan time<br>(excluding Saturdays, Sundays and national holidays) |

For Institutional Investors

Management trust banks and other nominee shareholders (including standing proxies) may use the “Electronic Voting Platform for Institutional Investors” managed by ICJ Inc. if they send in applications to use the platform in advance.

## Reference Materials for the General Meeting of Shareholders

**Proposals and Reference Matters**

### Proposal 1 Appropriation of Surplus

With regard to the appropriation of surplus, the Company keeps a balance between securing the necessary internal reserves for the Group in order to ensure sound financial standing in case of future changes in the business environment and to take advantage of growth investments and appropriate distribution of profits to shareholders taking into account cost of capital. Considering the above, the Company proposes that the appropriation of surplus be as follows.

#### Matters relating to year-end dividends

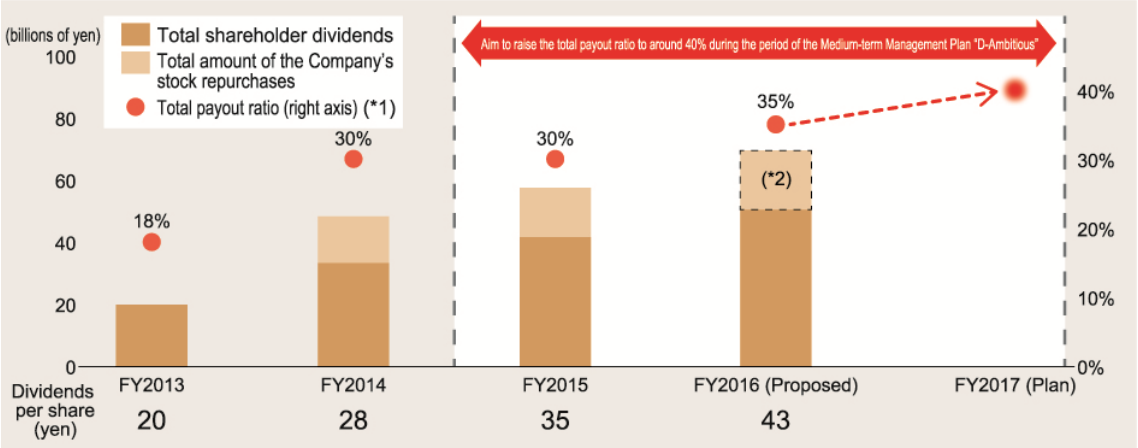
1. **Type of dividend property**
   Cash

2. **Matters related to allotment of dividend property to shareholders and total amount thereof**

| | |
|---|---|
| Dividends per share of common stock | 43 yen |
| Total amount | 50,717,790,500 yen |

3. **Effective date of distribution of surplus**
   June 27, 2017

(Reference) Actual results and targets of shareholders return




(*1) The share of total payout ratio on consolidated adjusted net income was used up to FY2015, and group adjusted profit is used from FY2016

(*2) Shows the upper limit of the Company's stock repurchase amount resolved on May 15, 2017

- Total payout ratio = (Total dividends to shareholders + Total amount of the Company's stock repurchases) / Group adjusted profit (Consolidated adjusted net income)
- Group adjusted profit is an indicator of the Company representing a source for shareholder returns. See page 37 of this convocation notice for more details.
- Consolidated adjusted net income is a proprietary indicator of the Group representing a basis for shareholder returns. It is calculated mainly by adding a provision in excess of the statutory amount (after-tax) of the provision for reserves (*) back to our net income attributable to shareholders of the parent company.

  * "Reserves represent contingency reserve," a reserve against risks such as the underwriting of insurance, and "reserve for price fluctuations," a reserve against a potential fall in asset prices

## Proposal 2 Election of Ten (10) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

Three (3) directors, Katsutoshi Saito, Norimitsu Horio and Tomoyasu Asano, retired as directors on March 31, 2017. The terms of office of all ten (10) Directors (excluding directors serving as Audit & Supervisory Committee members) will expire at the conclusion of the Meeting. Accordingly, the Company proposes the election of ten (10) Directors (excluding directors serving as Audit & Supervisory Committee members).

The candidates for Directors (excluding directors serving as Audit & Supervisory Committee members) are as follows.

If this proposal is approved, the number of directors, including directors serving as Audit & Supervisory Committee members, will be fifteen (15), of which five (5) are outside directors.

| No. | | Position | Name/Age | | | Board of Directors meetings attended |
|---|---|---|---|---|---|---|
| 1 | Reappointment | Representative Director and Chairman of the Board | Koichiro Watanabe | 64 | | 100% (17 / 17) |
| 2 | Reappointment | Representative Director and Vice Chairman | Shigeo Tsuyuki | 62 | | 100% (17 / 17) |
| 3 | Reappointment | Representative Director and President | Seiji Inagaki | 54 | | 100% (13 / 13) |
| 4 | Reappointment | Representative Director and Vice President | Satoru Tsutsumi | 61 | | 94.1% (16 / 17) |
| 5 | Reappointment | Director and Senior Managing Executive Officer | Kazuma Ishii | 63 | | 100% (17 / 17) |
| 6 | **New appointment** | Managing Executive Officer, Chief General Manager, DSR Management Promotion | Masao Taketomi | 53 | | - |
| 7 | Reappointment | Director | Hideo Teramoto | 57 | | 100% (17 / 17) |
| 8 | Reappointment | Director | Takashi Kawashima | 56 | | 100% (17 / 17) |
| 9 | Reappointment | Director | George Olcott | 62 | Outside Director Independent Director | 100% (17 / 17) |
| 10 | Reappointment | Director | Koichi Maeda | 65 | Outside Director Independent Director | 100% (7 / 7) |

(Note) The ages of the candidates are as of the conclusion of the Meeting.

| No. | Name (Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 1 | **Koichiro Watanabe**<br>(Apr. 16, 1953)<br><br><Reappointment><br><br>Board of Directors meetings attended:<br>(17/17) | Apr. 1976 Joined The Dai-ichi Mutual Life Insurance Company<br>Jul. 2001 Director<br>Apr. 2004 Managing Director<br>Jul. 2004 Managing Executive Officer<br>Jul. 2007 Director and Managing Executive Officer<br>Apr. 2008 Director and Senior Managing Executive Officer<br>Apr. 2010 Representative Director and President, The Dai-ichi Life Insurance Company, Limited<br>Oct. 2016 Representative Director and President, Dai-ichi Life Holdings, Inc.<br>Apr. 2017 Representative Director and Chairman of the Board (to present)<br><br>**[Significant Concurrent Positions]**<br>Representative Director and Chairman of the Board, The Dai-ichi Life Insurance Company, Limited | Common stock<br>57,272 shares |
| | **[Reasons for Selecting the Candidate for Director]**<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning, personnel management, public relations and government relations, and he has deep experience and knowledge in the life insurance business. He has duly performed his duties as a member of the Board of Directors since July 2001 by making use of his abundant experience and insight. He has proactively promoted business strategy for the growth of the Group through his service as a representative director and president since 2010. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director. | | |

| No. | Name<br>(Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 2 | **Shigeo Tsuyuki**<br>(Jul. 12, 1954)<br><br><Reappointment><br><br>Board of Directors meetings attended:<br>(17/17) | Apr. 1977 Joined The Dai-ichi Mutual Life Insurance Company<br>Jul. 2003 Director<br>Jul. 2004 Executive Officer<br>Apr. 2005 Managing Executive Officer<br>Jul. 2008 Director and Managing Executive Officer<br>Apr. 2010 Director and Managing Executive Officer,<br>The Dai-ichi Life Insurance Company, Limited<br>Apr. 2011 Director and Senior Managing Executive Officer<br>Apr. 2014 Representative Director and Deputy President<br>Oct. 2016 Representative Director and Deputy President,<br>Dai-ichi Life Holdings, Inc.<br>Apr. 2017 Representative Director and Vice Chairman<br>(to present)<br><br>**[Responsibilities]**<br>**Supervise:**<br>International Life Insurance Business Unit<br><br>**[Significant Concurrent Positions]**<br>Corporate Auditor,<br>Toyo Wharf & Warehouse Co., Ltd. | Common stock<br>26,606 shares |
| | **[Reasons for Selecting the Candidate for Director]**<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including international business management, domestic corporate life insurance business and asset management, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors since July 2003. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director. | | |

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Brief personal history, position, responsibilities, and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Seiji Inagaki<br>(May 10, 1963)<br><br><Reappointment><br><br>Board of Directors meetings attended:<br>(13/13)</td><td>Apr. 1986 Joined The Dai-ichi Mutual Life Insurance Company<br>Apr. 2012 Executive Officer, The Dai-ichi Life Insurance Company, Limited<br>Apr. 2015 Managing Executive Officer<br>Jun. 2016 Director and Managing Executive Officer<br>Oct. 2016 Director and Managing Executive Officer, Dai-ichi Life Holdings, Inc.<br>Apr. 2017 Representative Director and President (to present)<br><br>[Significant Concurrent Positions]<br>Representative Director and President, The Dai-ichi Life Insurance Company, Limited</td><td>Common stock<br>12,650 shares</td></tr>
<tr><td colspan="3">[Reasons for Selecting the Candidate for Director]<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors since June 2016 and as a representative director and president since April 2017. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Brief personal history, position, responsibilities, and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Satoru Tsutsumi<br>(Dec. 30, 1955)<br><br><Reappointment><br><br>Board of Directors meetings attended:<br>(16/17)</td><td>Apr. 1978 Joined The Dai-ichi Mutual Life Insurance Company<br>Apr. 2005 Executive Officer<br>Jul. 2005 Senior Managing Executive Director,<br>DLIBJ Asset Management Co., Ltd. (presently Asset Management One Co., Ltd.)<br>Apr. 2010 Advisor,<br>The Dai-ichi Frontier Life Insurance Co., Ltd.<br>Jun. 2010 Representative Director and President<br>Apr. 2015 Deputy President, The Dai-ichi Life Insurance Company, Limited<br>Jun. 2015 Representative Director and Deputy President<br>Oct. 2016 Representative Director and Vice President,<br>Dai-ichi Life Holdings, Inc.<br>(to present)<br><br>[Responsibilities]<br>In charge of:<br>Matters regarding Corporate Life Insurance Business of The Dai-ichi Life Insurance Company, Limited<br><br>[Significant Concurrent Positions]<br>Representative Director and Vice President,<br>The Dai-ichi Life Insurance Company, Limited</td><td>Common stock<br>16,115 shares</td></tr>
<tr><td colspan="3">[Reasons for Selecting the Candidate for Director]<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including asset management businesses, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a representative director and president of The Dai-ichi Frontier Life Insurance Co., Ltd. since June 2010 and as a member of the Board of Directors of the Company since June 2015. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director.</td></tr>
</table>

| No. | Name (Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 5 | **Kazuma Ishii**<br>(Jan. 12, 1954)<br><br><Reappointment><br><br>Board of Directors meetings attended:<br>(17/17) | Apr. 1977 Joined The Dai-ichi Mutual Life Insurance Company<br>Jul. 2003 Director<br>Jul. 2004 Executive Officer<br>Apr. 2005 Managing Executive Officer<br>Jul. 2008 Director and Managing Executive Officer<br>Apr. 2010 Director and Managing Executive Officer,<br>The Dai-ichi Life Insurance Company, Limited<br>Apr. 2011 Director and Senior Managing Executive Officer<br>Oct. 2016 Director and Senior Managing Executive Officer,<br>Dai-ichi Life Holdings, Inc.<br>(to present)<br><br>**[Responsibilities]**<br>**In charge of:**<br>Internal Audit Unit<br><br>**[Significant Concurrent Positions]**<br>Director and Senior Managing Executive Officer,<br>The Dai-ichi Life Insurance Company, Limited | Common stock<br>19,640 shares |
| | **[Reasons for Selecting the Candidate for Director]**<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including profit management, financial planning and actuarial accounting, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors since July 2003. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director. | | |

| No. | Name<br>(Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 6 | **Masao Taketomi**<br>(Oct. 22, 1963)<br><br>**<New appointment>** | Apr. 1986 Joined The Dai-ichi Mutual Life Insurance Company<br>Apr. 2012 Executive Officer, The Dai-ichi Life Insurance Company, Limited<br>Apr. 2015 Managing Executive Officer<br>Oct. 2016 Managing Executive Officer, Dai-ichi Life Holdings, Inc.<br>Apr. 2017 Managing Executive Officer, Chief General Manager, DSR Management Promotion (to present)<br><br>**[Responsibilities]**<br>**Supervise:**<br>Risk Management Unit,<br>Human Resources Unit<br>**In charge of:**<br>General Affairs Unit (Matters regarding Secretarial Group)<br><br>**[Significant Concurrent Positions]**<br>Director and Managing Executive Officer, The Dai-ichi Life Insurance Company, Limited | Common stock<br>10,502 shares |
| | **[Reasons for Selecting the Candidate for Director]**<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including personnel management and underwriting, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director. | | |

| No. | Name (Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 7 | **Hideo Teramoto**<br>(May 20, 1960)<br><br><Reappointment><br><br>Board of Directors meetings attended: (17/17) | Apr. 1983 Joined The Dai-ichi Mutual Life Insurance Company<br>Apr. 2009 Executive Officer<br>Apr. 2010 Executive Officer, The Dai-ichi Life Insurance Company, Limited<br>Apr. 2011 Managing Executive Officer<br>Jun. 2012 Director and Managing Executive Officer<br>Apr. 2015 Director and Senior Managing Executive Officer<br>Oct. 2016 Director and Senior Managing Executive Officer, Dai-ichi Life Holdings, Inc.<br>Apr. 2017 Director (to present)<br><br>**[Significant Concurrent Positions]**<br>Representative Director and Vice Chairman, The Dai-ichi Life Insurance Company, Limited<br>Outside Statutory Auditor, TSUGAMI CORPORATION | Common stock 14,795 shares |
| | **[Reasons for Selecting the Candidate for Director]**<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including marketing planning and corporate planning, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors since June 2012. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director. | | |

| No. | Name (Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 8 | **Takashi Kawashima**<br>(Aug. 8, 1960)<br><br><Reappointment><br><br>Board of Directors meetings attended:<br>(17/17) | Apr. 1983 Joined The Dai-ichi Mutual Life Insurance Company<br>Apr. 2009 Executive Officer<br>Apr. 2010 Executive Officer, The Dai-ichi Life Insurance Company, Limited<br>Apr. 2012 Managing Executive Officer<br>Jun. 2013 Director and Managing Executive Officer<br>Apr. 2015 Director and Senior Managing Executive Officer<br>Oct. 2016 Director and Senior Managing Executive Officer, Dai-ichi Life Holdings, Inc.<br>Apr. 2017 Director (to present)<br><br>**[Significant Concurrent Positions]**<br>Representative Director and President, The Dai-ichi Frontier Life Insurance Co., Ltd.<br>Audit & Supervisory Board Member (Outside), NSD CO., LTD. | Common stock<br>13,166 shares |
| | **[Reasons for Selecting the Candidate for Director]**<br>His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning, DSR management promotion, asset management and personnel management, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors since June 2013. The Company believes he is qualified to be a director of the board of the Company, and therefore proposes him as a candidate for director. | | |

| No. | Name (Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 9 | **George Olcott**<br>(May 7, 1955)<br><br><Reappointment><br><Outside director><br><Independent director><br><br>Term of office as outside director (to be reached at the conclusion of the Meeting): 2 years<br><br>Board of Directors meetings attended: (17/17) | Jul. 1986 Joined S.G. Warburg & Co., Ltd.<br>Nov. 1991 Director<br>Sep. 1993 Executive Director, Equity Capital Market Group, S.G. Warburg Securities London<br>Apr. 1997 Head of Tokyo Office, SBC Warburg<br>Apr. 1998 Vice President, LTCB-UBS-Brinson Asset Management<br>Feb. 1999 President, UBS Asset Management (Japan)<br>President, Japan UBS Brinson<br>Jun. 2000 Managing Director, Equity Capital Market, SBC Warburg Tokyo<br>Sep. 2001 Judge Business School, University of Cambridge<br>Mar. 2005 FME Teaching Fellow<br>Mar. 2008 Senior Fellow<br>Sep. 2010 Project Professor, Research Center for Advanced Science and Technology, The University of Tokyo<br>Apr. 2014 Guest Professor, Keio University, Faculty of Business and Commerce (to present)<br>Jun. 2015 Director, The Dai-ichi Life Insurance Company, Limited<br>Oct. 2016 Director, Dai-ichi Life Holdings, Inc. (to present)<br><br>**[Significant Concurrent Positions]**<br>Director, DENSO CORPORATION<br>Director, Hitachi Chemical Company, Ltd. | Common stock 2,230 shares |

**[Reasons for Selecting the Candidate for Director]**
He is an expert on human resources management and corporate governance of global companies, based on the knowledge he gained through a wide range of experiences, such as acting as managing director of financial institutions and as outside director of other corporations. He has also brought significant benefits to the Company by supervising and advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company believes he will continuously share his experience and expertise on oversight of management of the Company group as before, and therefore proposes him as a candidate for outside director.

**[Grounds for Independence]**
He is a candidate for outside director. Until May 2015, he served as a member of the Company's Advisory Board, a body established by the Company for the purpose of further reinforcing and enhancing its corporate governance by obtaining extensive advice regarding management matters in general. The Company conducted transactions with him for the payment of remunerations for an Advisory Board member, but the amount of remuneration was 2 million yen per year. Accordingly he meets the “Standards for the Independence of Outside Directors” determined by the Company as stated on page 17. We therefore judge there to be no concern regarding his independence. In addition, we have filed his name with Tokyo Stock Exchange as an independent director who has no conflict of interest with general shareholders pursuant to the rule of said Exchange.

| No. | Name (Date of birth) | Brief personal history, position, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 10 | **Koichi Maeda**<br>(July 8, 1951)<br><br><Reappointment><br><Outside director><br><Independent director><br><br>Term of office as outside director (to be reached at the conclusion of the Meeting): 9 months<br><br>Board of Directors meetings attended: (7/7) | Apr. 1975 Joined Nippon Telegraph and Telephone Public Corporation<br>Jul. 1999 General Manager, Kagoshima Branch, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION<br>Jul. 2000 General Manager, Planning Department, Consumer & Office Division, NTT Communications Corporation<br>Jun. 2002 General Manager, Consumer & Office Division<br>Jun. 2004 Senior Vice President, General Manager, Consumer & Office Division<br>Aug. 2006 Senior Vice President, Deputy General Manager, Net Business Division<br>Jun. 2008 Executive Vice President, Deputy General Manager, Net Business Division<br>Jun. 2009 Representative Director and Senior Executive Vice President, General Manager, Consumer Business Promotion Division, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ; President, NTT EAST PROPERTIES, INC.<br>Jun. 2012 President, NTT FINANCE CORPORATION<br>Jun. 2016 Member of the Board and Chief Executive Counselor (to present)<br>Oct. 2016 Director, Dai-ichi Life Holdings, Inc. (to present) | Common stock 683 shares |
| | **[Reasons for Selecting the Candidate for Director]**<br>He has deep experience and insight gained through acting as business executive of highly public enterprises. He has also brought significant benefits to the Company by supervising and advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company believes he will continuously share his experience and expertise on oversight of management of the Company group as before, and therefore proposes him as a candidate for outside director.<br><br>**[Grounds for Independence]**<br>He is a candidate for outside director. He served as an executive responsible for the operations of NTT FINANCE CORPORATION until June 2016. The NTT FINANCE Group is an entity (business partner) with which the Group conducts transactions, but the total amount of the transactions was less than 1% of the Company's consolidated net sales as well as the entity's sales. Accordingly he meets the "Standards for the Independence of Outside Directors" determined by the Company as stated on page 17. We therefore judge there to be no concern regarding his independence. In addition, we have filed his name with Tokyo Stock Exchange as an independent director who has no conflict of interest with general shareholders pursuant to the rule of said Exchange. | | |

Notes:

1. No conflict of interest exists between the Company and each of the above candidates.
2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. George Olcott and Mr. Koichi Maeda to limit their liabilities stipulated in Article 423, Paragraph 1 of the same Act. The liability limitation based on those agreements shall be either 20 million yen or the amount provided by laws and regulations, whichever is higher. Upon approval of the election of Mr. George Olcott and Mr. Koichi Maeda, the Company will continue the liability limitation agreements with them under the same conditions.

■ Opinion of the Audit & Supervisory Committee

The Committee has verified the details of the Basic Corporate Governance Policy separately provided, the standards for the election of directors based on the Policy, deliberation and verification procedures at the Nomination Advisory Committee with respect to application of the standards to each candidate and other factors, and determined that the candidates for director in this proposal are appropriate.
In addition, the Committee has confirmed the proposal of the Remuneration Advisory Committee in the same manner, and determined that the remuneration for directors is appropriate.

**(Reference) Standards for the Independence of Outside Directors**

When an outside director of Dai-ichi Life Holdings, Inc. (the Company) does not fall under any of the following cases, she or he is judged independent from the Company.

1. An outside director is or was a person responsible for the operations of the Company or any of the Company's subsidiaries or affiliates.
2. An outside director is a spouse or a relative within three degrees of the person responsible for the operations of the Company or any entity that has a special relationship with the Company (other than persons of low importance).
3. An outside director is a person responsible for the operations of a company whose officers include persons responsible for the operations of the Company or any of its subsidiaries.
4. An outside director is a shareholder ranked in the top ten on the Company's latest register of shareholders, or a person responsible for the operations of any entity which is such a major shareholder.
5. An outside director is a person responsible for the operations of a business partner of the Company and the said business partner's consolidated subsidiaries (consolidated subsidiaries specified in its Securities Report) to which the Company and its consolidated subsidiaries (consolidated subsidiaries specified in its Securities Report) annually pays an amount equivalent to 2% or more of the said business partner's consolidated net sales in the last three fiscal years.
6. An outside director is a person responsible for the operations of a business partner of the Company and the said business partner's consolidated subsidiaries (consolidated subsidiaries specified in its Securities Report) from which the Company and its consolidated subsidiaries (consolidated subsidiaries specified in its Securities Report) annually receives an amount equivalent to 2% or more of the Company's consolidated net sales in the last three fiscal years.
7. An outside director is an accounting auditor of the Company or any of its subsidiaries in the last three fiscal years (in the case of a corporation, a partner of the said corporation or other person responsible for its operations).
8. An outside director is a consultant, an accounting professional, or a legal professional who received economic benefits equal to 10 million yen or more per year on average from the Company or any of its subsidiaries for the last three fiscal years, other than as compensation as a director or an audit and supervisory board member of the Company (a partner or other

person responsible for the operations of a corporation, an association or any other organization which falls under any of the preceding professionals).

9. An outside director is a person responsible for the operations of a not-for-profit organization that has received donations equal to 2% or more of its gross revenue or ordinary income from the Company or any of its subsidiaries in the last three fiscal years.
10. If an outside director was formerly a person responsible for the operations of an organization, a company or a business partner stated in the preceding paragraphs 4 through 9, it is within five years since she or he retired from the organization, the company or the business partner.

## Proposal 3 Election of the Independent Auditor

The term of office of the independent auditor, Ernst & Young ShinNihon LLC, will expire at the conclusion of the Meeting, and Ernst & Young ShinNihon LLC will thereby retire as the independent auditor. Accordingly, the Company proposes the election of KPMG AZSA LLC as the independent auditor, based on a resolution of the Audit & Supervisory Committee.

The reasons for selecting KPMG AZSA LLC as a candidate for the independent auditor are as follows:

In comprehensive review of governance and management, quality control system, auditing system and method, global auditing system, degree of understanding of the Company group's businesses and other factors, together with independence, the Audit & Supervisory Committee determined KPMG AZSA LLC to be the most appropriate, with a view to further enhancing the accounting governance of the Company group.

(As of March 31, 2017)

| | | | |
|---|---|---|---|
| Name | KPMG AZSA LLC | | |
| Office | Principal office | 1-2, Tsukudo-cho, Shinjuku-ku Tokyo | |
| | Number of offices | 12 | |
| History | Jun. 1969 | Asahi & Co. was established | |
| | Jul. 1985 | Asahi & Co. merged with Shinwa & Co. (established in December 1974) and Asahi Shinwa & Co. was established | |
| | Oct. 1993 | Asahi Shinwa & Co. merged with Inoue Saito Eiwa Audit Corporation (established in April 1978) and Asahi & Co. was inaugurated | |
| | Jan. 2004 | Asahi & Co. merged with AZSA & Co. (established in February 2003) and KPMG AZSA & Co. was inaugurated | |
| | Jul. 2010 | KPMG AZSA & Co. made a shift to a limited liability audit corporation and changed its corporate name to KPMG AZSA LLC | |
| Profile | Capital | | ¥3,000 million |
| | Member/Staff composition | Certified Public Accountants (CPAs): | 3,168 persons |
| | | Other persons engaged in auditing: | 2,022 persons |
| | | Administration: | 639 persons |
| | | Total | 5,829 persons |
| | Number of clients (audit certification business clients) | | 3,470 entities |

Note: Mr. Koichi Masuda, a director serving as Audit & Supervisory Committee member of the Company, was once affiliated with KPMG AZSA & Co. but resigned from the same corporation in June 2007. With regard to all resolutions to determine the content of this proposal at the Audit & Supervisory Committee meeting, he expressed his intention not to participate in them and abstained from voting.

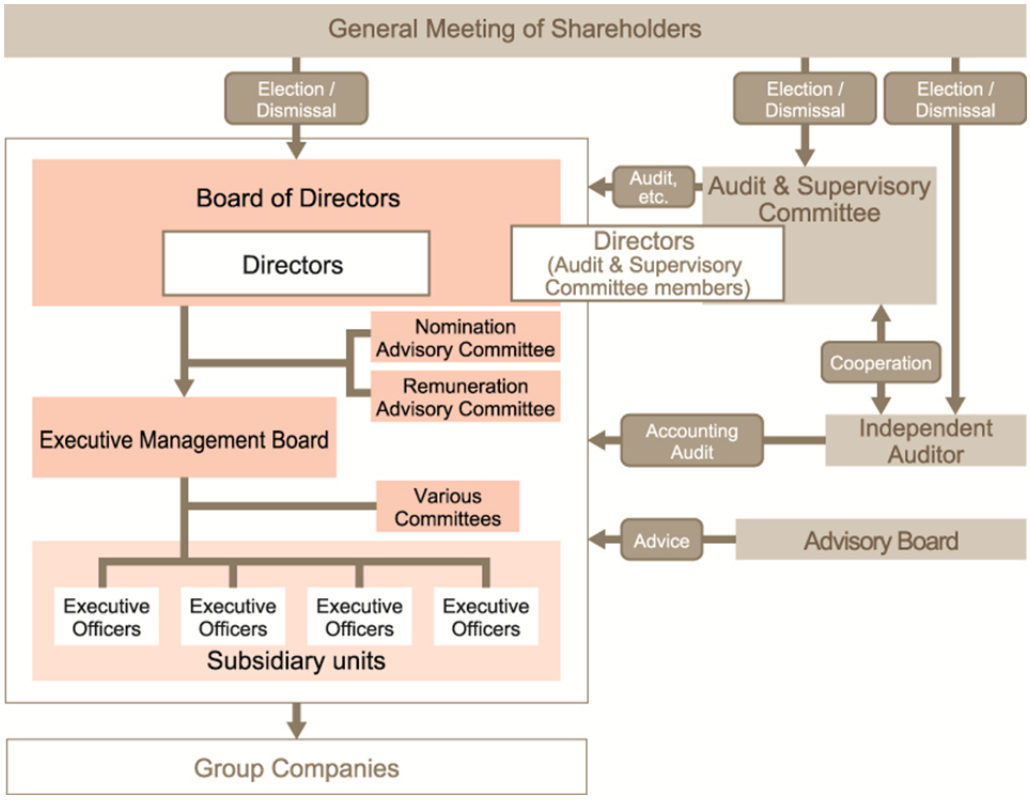
## (Reference) Corporate Governance Structure

—Establish a corporate governance structure to serve as a “model” in the industry as a listed company—

### Basic Approach to Corporate Governance

The Company has developed a system of corporate governance as stipulated in the Basic Corporate Governance Policy to ensure transparent, fair, prompt and bold decision-making while balancing supervision and management, in order to respond to the entrustment of its multi-stakeholders such as customers, shareholders, society and employees, and to achieve sustainable growth and enhancement of corporate value over the mid- to long term.

### Enhancement of Management Control System



**Board of Directors**

The Board of Directors is responsible for making important decisions on the Group's management strategy, management plan, etc. and supervises the execution of business operations. The Board of Directors consists of inside directors with knowledge and experience necessary to perform management in an accurate, fair, and efficient manner and outside directors with the deep insight, rich experience, and independence necessary to fully demonstrate supervisory functions. The number of outside directors makes up one-third or more, in principle. Further, to ensure the effectiveness and efficacy of decision-making, the Board of Directors analyzes its meeting operations, etc. and discloses a summary of the results thereof.

■Major themes for deliberation (examples)

- Formulation and implementation status of a medium-term management plan, etc.
- Risk-taking plans and cash flow plans
- Business plans of overseas life insurance subsidiaries
- Dialogue with shareholders and investors

**Audit & Supervisory Committee**

As an organ independent from the Board of Directors, the Audit & Supervisory Committee audits the execution of duties by directors and the development and implementation status of group internal control systems from a viewpoint of legality and appropriateness. It is also responsible for supervisory functions over the Board of Directors by expressing opinions on nomination and remuneration. The Audit & Supervisory Committee includes a person who has appropriate knowledge about finance and accounting. It consists of internal members with knowledge about the life insurance business and outside members who have excellent insight, rich experience, and independence.

■Major themes for deliberation (examples)

- Progress of and process for formulating a medium-term management plan, etc.
- Status of improvement and enhancement of business administration and internal control system
- Election of the independent auditor
- Formation of opinions on the nomination, remuneration, etc. of Directors

**(Composition if Proposal 2 is approved as proposed)**

| | Inside | Outside | Total |
|---|---|---|---|
| Directors (excluding Directors serving as Audit & Supervisory Committee members) | 8 persons | 2 persons | 10 persons |
| Directors serving as Audit & Supervisory Committee members | 2 persons | 3 persons | 5 persons |
| Total | 10 persons | 5 persons | 15 persons |

**Nomination Advisory Committee**

To further enhance management transparency, a Nomination Advisory Committee is established as an independent advisory committee under the Board of Directors. The Nomination Advisory Committee is responsible for assessing the qualifications of candidates for directorships and deliberating and deciding on proposals for the election and dismissal of directors and executive officers, and then referring its proposals to the Board of Directors. The Nomination Advisory Committee is made up of the Chairman of the Board, President, and external appointees who constitute a majority of the committee members.

**Advisory Board**

In order to strengthen and enhance its governance and further improve its corporate value, the Company has established an Advisory Board so that it can receive advice from experts on overall management issues from a medium- and long-term perspective in light of changes in the external environment.

**Remuneration of Directors**

The remuneration for company directors (excluding outside directors and directors serving as Audit & Supervisory Committee members) is made up of a base amount, an amount tied to company performance, an amount tied to department performance, and remuneration in the form of stock options. In the case of outside directors and directors serving as Audit & Supervisory Committee members, remuneration is in the form of a base amount only. The level of remuneration is set using third-party surveys and other information on management remuneration at Japanese companies.

**Remuneration Advisory Committee**

To further enhance management transparency, a Remuneration Advisory Committee is established as an independent advisory committee under the Board of Directors. The Remuneration Advisory Committee is responsible for deliberating and deciding on proposals for matters relating to remuneration systems and then referring the proposals to the Board of Directors. The Remuneration Advisory Committee is made up of the Chairman of the Board, President, and external appointees who constitute a majority of the committee members.

**(Remuneration system for each classification)**

| | Directors (excluding directors serving as Audit & Supervisory Committee members) | | Directors (Audit & Supervisory Committee members) | Remarks |
|---|---|---|---|---|
| | Inside | Outside | | |
| Base amount | ○ | ○ | ○ | Remuneration according to duties and responsibilities |
| Amount tied to company performance | ○ | — | — | Tied to the level of achievement of performance indicators in a medium-term management plan |
| Amount tied to department performance | ○ | — | — | Tied to the level of achievement of performance indicators of the department of which each Director is in charge |
| Remuneration in the form of stock options | ○ | — | — | Set as an incentive to achieve management objectives and enhance corporate value in the medium- to long-term |

Notes:

# Fiscal 2016 Business Report (from April 1, 2016 to March 31, 2017)

The Group shifted to a holding company structure effective on October 1, 2016, following the adoption of proposals for the “Approval of the Absorption-type Corporate Split Agreement” and “Partial Amendments to the Articles of Incorporation” at the Annual General Meeting of Shareholders for the 6th Fiscal Year of the Company held on June 24, 2016. This Business Report describes both the Company before the shift (former corporate name: The Dai-ichi Life Insurance Company, Limited) (“the former Dai-ichi Life”) and the Company after the shift (current corporate name: Dai-ichi Life Holdings, Inc.).

## 1 Matters Concerning the Current Status of the Insurance Holding Company

### 1. Developments and Results of Business Activities of the Group, etc.

#### [Principal Business of the Group]

The Dai-ichi Life Group (the Group), which consists of Dai-ichi Life Holdings, Inc. (the Company), 77 subsidiaries, and 54 affiliated companies, mainly engages in the life insurance business.

#### [Financial and Economic Environment]

The sense of recovery gradually rose throughout the Japanese economy in fiscal 2016, with pickups in export and production. Export of electronic parts to Asia showed high growth resulting from globally improved business confidence in the manufacturing industry. Export of transportation equipment to the United States also trended favorably on the back of lower crude oil prices. Amid these conditions, the yen weakened and stock prices rose following the results of the US presidential election in November 2016, leading to improved business sentiment in domestic companies, as well. The Japanese economy took a turn for the better, especially in the corporate sector, though lingering weakness continued to dampen the household sector.

Under these economic circumstances, the Nikkei Stock Average, which previously trended in the 16,000 yen range, began a steady recovery up to the 19,000 yen range after the US presidential election, resulting in its first year-on-year increase in two years. Domestic long-term interest rates remained negative in the first half of fiscal 2016, as the Bank of Japan decided to introduce a negative interest rate policy in January 2016. However, domestic long-term interest rates increased moderately in the latter half, returning to a positive level, as the Bank of Japan

newly decided to introduce a quantitative and qualitative monetary easing policy subject to long-term and short-term interest rate control in September 2016 and the global rise in interest rates in response to the result of the US presidential election.

Turning to the economies in the areas where the Group operates, the US economy continued to expand moderately, led by increased personal spending. Meanwhile, the emerging economies of Asia experienced gradual recovery due to signs of bottoming-out in the Chinese economy and global recovery in the manufacturing sector.

In the domestic life insurance industry, there were moves focused on customer-oriented business operations, such as the disclosure of agent commissions for some of the insurance products sold at banks and other agent financial institutions. Furthermore, the Financial Services Agency formulated the “Principles for Customer-Oriented Business Conduct” and encouraged financial institutions, etc., including life insurance companies, to adopt the principle.

**[Developments and Results of Business Activities]**

Under these circumstances, the Group has worked to further accelerate its growth and realize a sustainable increase of its corporate value through further evolution of DSR Management, its unique value-creating framework, based on four pillars as basic strategies of “D-Ambitious—Our values. Our future,” a medium-term management plan covering the period from fiscal 2015 to fiscal 2017.

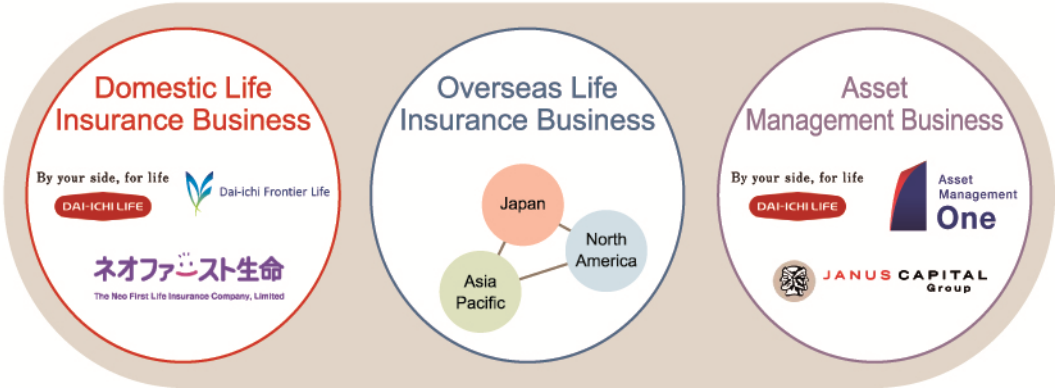
■Base Strategies (Four Pillars)

| | |
|---|---|
| **D**ynamism | Achievement of Sustainable Growth to Meet Stakeholders' Expectations |
| **D**iscipline | Ensuring Adequate Capital Levels and Improving Capital Efficiency through Disciplined Capital Allocation |
| **D**imension | Further Evolution of Group Governance under a Holding Company Structure |
| **D**iversity | Ensuring Diversity and Inclusion on a Group and Global Basis |

## I. Dynamism: Achievement of Sustainable Growth to Meet Stakeholders' Expectations

The Group has taken measures to achieve sustainable and solid growth with three growth engines, namely (i) domestic life insurance business, (ii) overseas life insurance business, and (iii) asset management business.

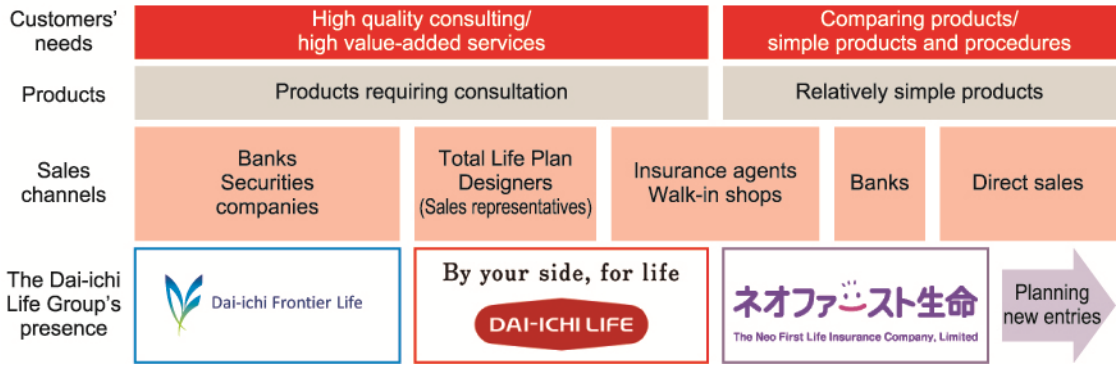
■Three Growth Engines




### (1) Implementation of a Growth Strategy for a Larger Share in the Domestic Life Insurance Markets

In the domestic life insurance market, customer needs are diversifying in association with significant changes in lifestyles, reflecting factors such as the advancement of an aging population combined with a declining birthrate and a fall in the average number of persons per household. To respond to these diversified needs quickly and accurately, the Group makes efforts to deliver the best-suited products and services through optimum channels by adopting a three-company structure consisting of Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life.

■Outline of Three-Company Structure in the Domestic Life Insurance Business



Each subsidiary promoted customer-oriented business operations and worked to enhance its product lineup and strengthen its sales channels in order to contribute to improved customer satisfaction.

In March 2017, the Company formulated and announced the “Policy for Customer-First Business Operations” as a policy shared by the three domestic companies in the Group in a bid to further reinforce customer-oriented business operations. At the same time, each of the three companies announced its own specific initiatives for practicing customer-oriented business operations.

Meanwhile, in consideration of domestic low interest rate conditions, each company has taken various measures, such as the introduction of controls over the sale of single premium savings-type products.

Standard interest rates, the criteria for accumulating policy reserves, are to be reduced for insurance policies to be concluded in and after April 2017. Accordingly, each company has taken measures in response to reduced standard interest rates. Dai-ichi Life, for example, has revised the assumed rate of return and reviewed the premium rates applicable to whole life insurance, individual annuity insurance, and other insurance products to be sold in and after April 2017.

### Dai-ichi Life

Dai-ichi Life strived to offer “ensuring customers’ peace of mind” and “offering excellent health support” under its domestic growth strategy: By your side, for life - With You Project.

This subsidiary worked to enhance its sales channels and upgrade its consulting capabilities in an ongoing effort to promote sales of products that meet customer needs and strengthen contact with customers.

Specifically, this subsidiary strengthened its development system for Total Life Plan Designers mainly by revising its educational program. This subsidiary also revised its evaluation system to a system that places emphasis on how much he or she has increased the number of customers. Moreover, this subsidiary endeavored to increase the number of Total Consultants specializing in consulting services at company offices and government offices in urban areas while expanding the Customer Consultants acting as specialists in the provision of after-sales services and consulting to customers.

Moreover, this subsidiary promoted further sales of its mainstay product, the comprehensive protection-type insurance Bright Way, as well as third sector products which it positions as

growth areas. In addition, this subsidiary strove to further improve its product lineup. Specifically, it launched “Nanairo Skip,” a term insurance product that provides living benefits as a safeguard against seven types of risk, including prescribed conditions due to three major diseases. It also launched “TOP PLAN EXCEED U,” a term insurance product for corporate customers that provides living and disability annuities using surrender values to procure business funds and retirement benefits while providing for nursing care and other risks. This subsidiary implemented measures for responding to senior customers, such as upward adjustments of the upper limits of the contract age for individual annuities and the starting age for receiving annuities.

This subsidiary promoted “Periodical Insurance Information Checks.” Under the promotion, Total Life Plan Designers visited customers to check the contents of policies as a means to ensure that customers can receive insurance claims and benefits. In addition, a system to register the contact information of persons other than policyholders was launched in the previous fiscal year in order to enable a beneficiary, etc. other than a policyholder to smoothly perform procedures making a request for insurance claims and benefits or when a policyholder suffers impaired consciousness, dementia, etc. (“Policy Content Guidance System”). By promoting the announcement of the Policy Content Guidance System, many customers registered their information on the system.

Meanwhile, this subsidiary continued its efforts to conclude agreements with specialized medical institutions, including the National Cancer Center Japan, in a bid to improve its capacity to provide customers information on medical treatment, etc. This subsidiary newly entered into a comprehensive alliance agreement with the National Center for Child Health and Development in October 2016.

Furthermore, by taking advantage of its nationwide network of about 1,300 offices and 40,000 Total Life Plan Designers, this subsidiary has concluded agreements with local governments in regions across Japan to promote activities to resolve issues the regions face in wide-ranging areas such as health promotion, monitoring services for the elderly, and childrearing support. In fiscal 2016, this subsidiary concluded agreements with regional governments in all 47 prefectures, including the Tokyo Metropolitan Government.

As an effort to leverage synergy as a group, the Group expanded the target base from urban areas to countrywide for the sale of Dai-ichi Frontier Life’s foreign currency-denominated products by Dai-ichi Life’s Total Life Plan Designers. The Group responded to customer needs for savings under the low interest rate conditions in Japan.

Turning to the results of operations brought about by these efforts, the annualized net premium for new policies* and the annualized net premium for new third sector policies increased from the previous fiscal year. In addition, the annualized net premium from policies in-force and annualized net premium from in-force third sector policies increased from the end of the previous fiscal year.

* The annualized net premium is calculated by dividing the premium by the duration of the policy. The annualized net premium for new policies or annualized net premium from policies in-force is one of the indicators representing the results of operations of life insurance companies, an indicator equivalent to net sales at general companies, together with premium and other income.

### Dai-ichi Frontier Life

Dai-ichi Frontier Life, a subsidiary that sells products through agent financial institutions such as banks and securities companies in the savings-type market, which the Group understands as growth markets, strove to expand its product lineup by launching "Premier Story," a foreign-currency-denominated individual annuity insurance product that allows a customer to receive an annuity from one year after the date of contract. This subsidiary took the initiative to reinforce its relationships with agent financial institutions and increased the number of commissioned agents while providing comprehensive sales support via its sales support staff.

As a result of these efforts, the number of policies in-force exceeded one million at the end of June 2016 and increased favorably.

This subsidiary revised its sales materials to help banks and other agent financial institutions disclose sales commissions, in order to improve information for customers when they select products. Furthermore, this subsidiary strove to reinforce risk control according to product features in a bid to achieve stable growth in earnings.

### Neo First Life

Neo First Life, a subsidiary that sells protection-type products and other products mainly over the counter at banks and in walk-in insurance shops, worked to enhance its product lineup in anticipation of customer health needs with a focus on health promotion. Specifically, this subsidiary launched "*Karada Kakumei* (body revolution)[*3]," a lump-sum benefit insurance product that provides for hospitalization due to the seven major lifestyle diseases, the insurance industry's first product*[1] using the policyholder's *Kenko Nenrei* (health age)*[2] instead of his/her actual age. It also launched "*Neo de Shuho* (income guarantee by Neo)," an income guarantee

insurance product that offers a health discount on insurance premiums paid by customers who remain healthy as policyholders. This subsidiary also strove to increase the number of commissioned agents such as banks and insurance shops. As a result of these efforts, it steadily accumulated the results of operations.

*1 According to Neo First Life.

*2 *Kenko Nenrei* (health age) is a trademark registered by Japan Medical Data Center (JMDC).

*3 Neo First Life calculated its original kenko nenrei for this product using big data such as medical checkup data and medical receipts held by JMDC.

### Measures for the Kumamoto Earthquakes

In response to the customers stricken by the Kumamoto Earthquakes, the Group carried out various activities. Total Life Plan Designers and other employees visited or contacted customers to express sympathy and promoted the procedures for filing. The Group also took necessary measures such as the installation of dedicated toll-free phones at the Group's contact center, extension of the premium-paying grace period, and quick and simple processing of insurance claims, benefits, policyholder loans, etc. In addition, the Group made donations, cooperated with reconstruction support events, and donated articles to schools in disaster-stricken areas.

## (2) Accelerating Business Expansion and Bringing in a Greater Contribution to Group Profits from Overseas Life Insurance Markets

The economic and business environment surrounding the life insurance markets varies by country. Developed markets such as North America are likely to see stable growth through economic growth and other factors despite high insurance penetration, while emerging markets, particularly in Asia, are expected to see strong growth due to high economic growth and increasing insurance penetration. In the overseas life insurance business, the Group strove to accelerate growth and increase profits by setting management targets and operating business according to the maturity of the markets and the business environment of each group company.

The Group endeavored to increase contributions to group profits mainly from the expanded business scale in developed markets. In December 2016, Protective Life (USA) acquired United States Warranty Corp., a company that promotes the asset protection business* in 46 US states. This was one of various steps Protective Life took to develop its forte acquisition business.

In addition, sales of individual insurance in TAL (Australia) remained strong. As of the end of

December 2016, TAL secured its position as the industry leader in the Australian life insurance (protection-type products) market in terms of annualized net premium from policies in-force for the fourth consecutive year.

Meanwhile, the Group sought to further accelerate growth by increasing market share through diversified and strengthened sales channels in the Asian emerging markets.

Star Union Dai-ichi Life (India), an affiliated company, enjoyed upper limit deregulations for foreign investment. The Company raised the Company's investment ratio from 26% to 45.94% in anticipation of further growth of the Indian life insurance market and Star Union.

Furthermore, the Group examined new investments, both in the developed markets and emerging markets. As one initiative to this end, the Group opened representative offices in Cambodia and Myanmar primarily for the purpose of market research.

As a result of these efforts, earnings from the overseas life insurance business increased steadily.

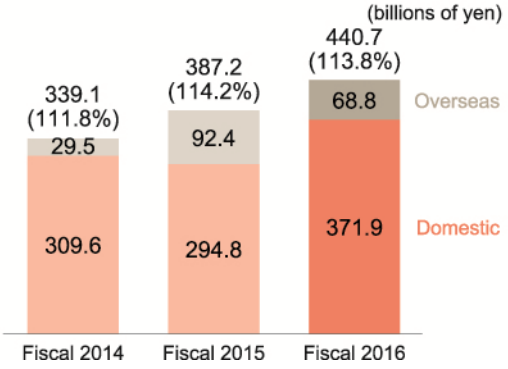
* Asset protection business means non-life insurance business that compensates for expenses for machine failures, including automobile failures, and amounts equivalent to loan balances in the event of total losses.

As a result of the above efforts in the domestic and overseas life insurance markets, the Group's annualized net premium for new policies increased from the previous fiscal year. In addition, the annualized net premium from policies in-force increased from the end of the previous fiscal year and has remained on an increasing trend.

■Results of Group Operations

## Annualized Net Premium for New Policies

Figures in parentheses show year-on-year comparison.

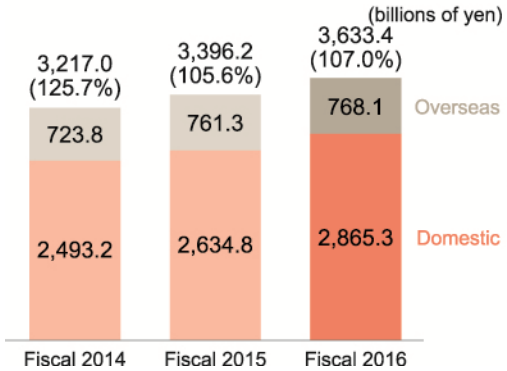



(billions of yen)

| | Fiscal 2015 | Fiscal 2016 | YoY |
|---|---|---|---|
| Protective Life | 35.6 | 35.3 | 99.0% |
| TAL | 49.4 | 21.8 | 44.2% |
| Dai-ichi Life Vietnam | 7.2 | 11.6 | 159.9% |
| Dai-ichi Life | 140.6 | 196.1 | 139.5% |
| Of which, third sector | 51.2 | 60.2 | 117.6% |
| Dai-ichi Frontier Life | 153.8 | 174.1 | 113.2% |
| Neo First Life | 0.3 | 1.5 | 433.0% |

## Annualized Net Premium from Policies In-force

Figures in parentheses show year-on-year comparison.




(billions of yen)

| | Fiscal 2015 | Fiscal 2016 | YoY |
|---|---|---|---|
| Protective Life | 511.1 | 510.7 | 99.9% |
| TAL | 229.9 | 229.0 | 99.6% |
| Dai-ichi Life Vietnam | 20.3 | 28.3 | 139.6% |
| Dai-ichi Life | 2,065.0 | 2,147.2 | 104.0% |
| Of which, third sector | 576.5 | 606.3 | 105.2% |
| Dai-ichi Frontier Life | 565.8 | 712.7 | 126.0% |
| Neo First Life | 3.9 | 5.3 | 136.0% |

*1 The annualized net premium for new policies at Dai-ichi Life for fiscal 2016 represent the total amounts of the same at the former Dai-ichi Life before the shift to a holding company structure and at Dai-ichi Life after the shift. The annualized net premium for new policies and annualized net premium from policies in-force at Dai-ichi Life for fiscal 2014 and fiscal 2015 were both calculated based on the same for the former Dai-ichi Life.

*2 The annualized net premium for new policies and annualized net premium from policies in-force at overseas life insurance companies were calculated based on the Group's criteria.

*3 Actual results of Protective Life were included in the annualized net premium for new policies in and after fiscal 2015 and the annualized net premium from policies in-force as of the end of fiscal 2014 and the following fiscal years.

### (3) Bringing in a Greater Contribution to Profits from Asset Management Business

With regard to the asset management of Dai-ichi Life, the company holding the most assets among the insurance companies of the Group, Dai-ichi Life made efforts to concurrently seek diversification of risk and revenue increase while maintaining an investment strategy based on the nature of life insurance policies. It also promoted initiatives to realize a more sophisticated asset management.

Specifically, Dai-ichi Life flexibly allocated capital to risk assets such as domestic and foreign stocks taking advantage of the market trends, endeavored to increase profitability by investing in foreign currency-denominated bonds with currency hedges, etc., and promoted investments and loans for growth sectors and new sectors such as domestic and overseas infrastructure-related projects. Dai-ichi Life also worked to control asset management risk by taking measures to prepare for political risks such as the UK's decision to depart from the EU (Brexit) and the US presidential election.

In the asset management business, the Company and Mizuho Financial Group completed a business integration of DIAM, the asset management function of Mizuho Trust & Banking, Mizuho Asset Management, and Shinko Asset Management, in October 2016, to incorporate Asset Management One. As an initiative of the Company to generate group synergy, Asset Management One expanded sales of investment products managed by Janus Capital Group (USA) in Japan while providing investment-related products to Dai-ichi Life and Dai-ichi Frontier Life. In addition, Janus concluded a merger agreement with Henderson, a listed asset management company in the UK, in October 2016 for the purpose of business integration.

The Group will aim to further accelerate business growth and contribute to group profit through mutual utilization of each company's products and sales channels, upgraded asset management for the group insurance companies using asset management know-how, and other measures.

### (4) Initiatives to Create Innovation (InsTech)

The Dai-ichi Life Group coined the term "InsTech" as a name for its initiatives to create innovation unique to the life insurance business from both Insurance and Technology perspectives and has deployed group-wide efforts to promote "InsTech" as a top priority strategic issue.

Specifically, Dai-ichi Life started joint examinations with IBM Japan and other companies to estimate the risk of disease development and prevent serious medical conditions by analyzing

big data in medicine. Dai-ichi Life also commenced joint research, etc. with Hitachi, Ltd. to make use of big data in medicine for the life insurance business.

Dai-ichi Life has raised the age ranges for eligibility to enter into insurance contracts by reflecting the results of big data analysis in medicine as criteria in the medical assessments used to judge whether customers may enter into the insurance contracts, and has developed "*Gokanyu Meyasu Navi* (entry estimate navigation)," a tool designed to present prospective customers with estimates of the products available to them based on their current physical conditions, before the customers make formal applications.

Furthermore, Dai-ichi Life and Neo First Life entered into a business alliance agreement with NIHON CHOUZAI, a major chain of dispensing pharmacies, in February 2017 to develop and provide new services and insurance products geared to lengthening healthy life expectancy of citizens.

In addition, Dai-ichi Life launched a new service by releasing to the public "*Kenko Daiichi* (health comes first)," a dedicated smartphone application free of charge to support customers' health promotion.

### (5) Business Alliance with Japan Post Insurance

With regard to the business alliance between the Company and Japan Post Insurance, the two companies have started up a joint business alliance committee, commenced deliberations on the alliance in each business field, and carried out joint initiatives step by step.

The Company, Japan Post Insurance, and Vietnam Post Corporation, a Vietnam state-owned enterprise, signed a trilateral memorandum of cooperation on life insurance services in Vietnam in April 2016 to further promote the sales expansion of Dai-ichi Life Vietnam's insurance products by Vietnam Post Corporation.

In the asset management sector, Dai-ichi Life and Japan Post Insurance made a joint investment in a photovoltaic power generation project (mega-solar project) in Japan. Asset Management One has developed jointly with Japan Post Insurance a product that aims to secure stable revenue in the medium- to long-term as a fund invested in by Japan Post Insurance.

In addition, Dai-ichi Life and Japan Post Insurance have made various efforts with a view to creating new insurance products and services leading to the extended healthy life expectancy of the Japanese people, including the first business contest in the Japanese life insurance industry, which was co-sponsored by NTT DATA.

## II. Discipline: Ensuring Adequate Capital Levels and Improving Capital Efficiency through Disciplined Capital Allocation

The Group practices Enterprise Risk Management (ERM). ERM is a means of realizing improved capital efficiency and enhanced corporate value by allocating capital to businesses that promise higher profits, while ensuring financial soundness by appropriately controlling risks.

■Relationship Between Profits, Capital, and Risks




<Capital efficiency>
Increasing profits relative to capital
<Risk-return>
Improving return relative to risk
<Financial soundness>
Securing sufficient capital exceeding risk amount

Under domestic low interest rate conditions in association with the Bank of Japan's negative interest rate policy, Dai-ichi Life played a leading role in efforts to reduce interest rate risk using derivative instruments while controlling sales of single premium savings-type products and implementing revisions in the discount rate of advance premiums, etc.

To enhance financial soundness, each group company worked to increase its capital level by accumulating profits from business activities and the Company issued US-dollar-denominated perpetual subordinated bonds of USD 2.5 billion in July 2016. Through these initiatives, the Group worked to further improve its net worth.

In consideration of the new capital regulations for global insurance companies now being deliberated, the Group will continue to further improve its financial soundness chiefly by refining its risk management indicators on a continual basis.

Meanwhile, in line with the shift to a holding company structure, the Group strengthened its cash flow management to an unprecedented level and endeavored to increase profits and improve capital efficiency mainly through the allocation of profit generated by each group company into growth areas. By turning these initiatives to an adequate return, the Group aims to live up to the expectations of all of our stakeholders.

## III. Dimension: Further Evolution of Group Governance under a Holding Company Structure

With the shift to a holding company structure, the Group aims to realize flexible resource allocation within the Group, establish a governance structure that contributes to swift decision-making for each group company, and implement fundamental reforms of the group management.

Additionally, to further strengthen its supervisory function over the group companies, which are becoming increasingly diverse and multiplex, the Company became a holding company with a Board with Audit & Supervisory Committee Structure concurrently with the Company's shift to a holding company structure.

The Company aims to establish a corporate governance structure to serve as a model in the industry as a listed company in accordance with the Basic Corporate Governance Policy. To that end, the Company has formed a Board of Directors with a well-balanced composition consisting of inside directors who are well versed in the insurance business and outside directors who have accumulated extensive experience and insight outside of the Company, in order to ensure appropriate decision-making in light of the real state of business in each group company. In addition, since the directors serving as Audit & Supervisory Committee members are directly elected by shareholders separately from the other directors, the Company has established a structure that enables auditing and supervision functions that remain highly independent from the Board of Directors. Furthermore, the Company wishes to establish a structure under which the Board of Directors will place an emphasis on planning important strategy for the Group and business administration of the group companies and conduct swift and decisive decision-making. To that end, some of the decisions on the execution of important business operations that were previously made by the Board of Directors have been entrusted to directors. Moreover, in consideration of the Corporate Governance Code, the Company has six outside directors (including directors serving as Audit & Supervisory Committee members) making up one-third of the Company's eighteen directors in total (as of March 31, 2017). The Nomination Advisory Committee and Remuneration Advisory Committee, as bodies stipulated in the Articles of Incorporation to be voluntary advisory organs, the majority of whose members are outside directors, deliberate proposals for the election and dismissal of directors, etc. and matters relating to remuneration systems therefor. In this manner, the Company has established a structure to ensure the transparency and objectivity of management.

With regard to the promotion of compliance, the Company strove to enforce a structure based on a recognition that meeting the expectations and requests of customers and society and building their trust in compliance with laws and regulations form a fundamental premise for conducting business. Specifically, the Company endeavored to enhance its educational and training efforts in order to improve the employees' awareness. The Company made headway in its initiatives for information property protection in Japan, including its activities to strengthen necessary measures against unauthorized access to the intranet operating environment and measures to prevent employees from illegally removing information. Moreover, the Company made efforts to reinforce the Group's internal audit structure so as to ensure sound and proper business operations, while taking other necessary measures.

In addition, the Company promoted labor compliance and took the initiative to reform working styles in order to improve productivity and create a working environment that allows employees to work actively and positively in a healthy condition.

In order to comply with the revised Insurance Business Act effected in May 2016, the three domestic life insurance companies worked to improve solicitation rules, revise materials for solicitation, and hold education and training for employees, etc., with a view to appropriately understanding the intentions of customers and providing them with information on insurance products when they enter into insurance policies.

## IV. Diversity: Ensuring Diversity and Inclusion on a Group and Global Basis

The Group has further developed an environment in which a diverse range of human capital can play key roles and has promoted global human capital development based on its belief that accepting each other's "diversity," or "inclusion," is the foundation for sustainable growth.

In support of the active participation of female employees in the workplace, the Group worked to raise the awareness of female employees and to improve our training system. The Group strove to enforce level-specific training designed to accelerate the development of female leaders in a bid to achieve the goal of raising the percentage of females in managerial posts of the three domestic life insurance companies in total to 25% or more by April 2018, and to 30% or more as early as possible in the 2020s (24.2% as of April 1, 2017).

With the aim of enhancing its international competitiveness, the Group recruited foreign students studying in Japan, conducted exchange and development programs for managers and senior staff stationed in and outside of Japan, and worked to develop global human capital in Japan. Specific initiatives included activities to dispatch employees overseas as

trainees and students, as well as programs for younger employees to improve their language skills and practical abilities for globalized business. The Group also strove to generate synergies by holding lecture sessions by executives of overseas group companies with an aim to promote mutual understanding by and among officers and employees.

To achieve normalization (*1), Dai-ichi Life Challenged, one of the group companies, has played a leading role in actively recruiting people with disabilities and developing an accommodating work environment for them in order to promote the achievements of employees with disabilities. Moreover, with a view to becoming an LGBT(*2)-friendly company, the Group continued to hold training sessions focusing on the issue as part of human rights enlightenment. Through these initiatives, the Group took proactive steps to penetrate the understanding of LGBT issues among employees.

*1 Normalization is a concept in which a society is considered a “normal society” where people with and without disabilities live together as part of the same community, based on mutual respect and support.

*2 LGBT is an acronym representing Lesbian, Gay, Bisexual and Transgender persons.

## [Summary of Consolidated Results]

### (1) Financial Statements

Following is a summary of the Group's results for fiscal 2016.

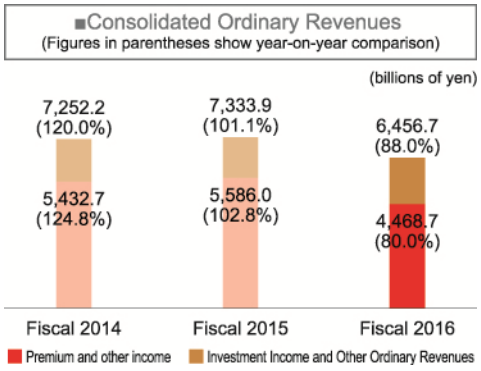
### ■ Consolidated Statement of Earnings

The consolidated statement of earnings was as follows.

| Consolidated ordinary revenues | Consolidated ordinary profit | Net income attributable to shareholders of parent company |
|---|---|---|
| **¥6,456.7 billion**<br>(88.0% YoY) | **¥425.3 billion**<br>(101.7% YoY) | **¥231.2 billion**<br>(129.6% YoY) |

#### Consolidated Ordinary Revenues

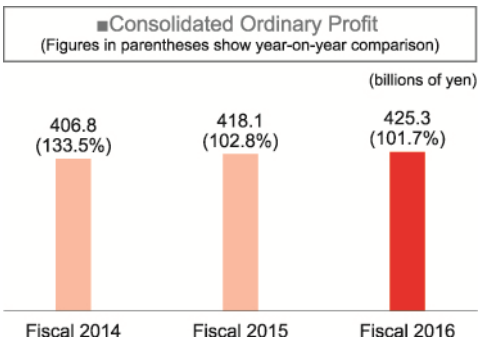
Consolidated ordinary revenues decreased to 88.0% of the previous fiscal year, to 6,456.7 billion yen, mainly due to decreased premium and other income of 4,468.7 billion yen (80.0% year on year) chiefly attributable to the control of sales of single premium savings-type products in Dai-ichi Frontier Life and other subsidiaries.




#### Consolidated Ordinary Profit

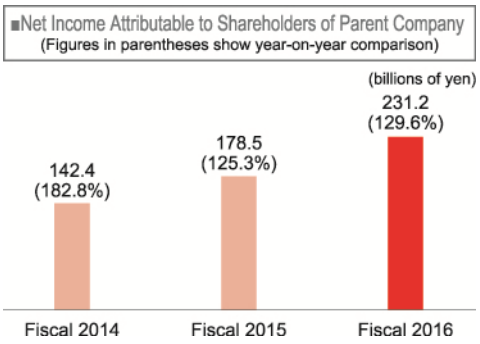
Ordinary expenses decreased to 87.2% of the previous fiscal year to 6,031.4 billion yen, mainly due to decreases in benefits and claims and provision for policy reserves and others.

Consolidated ordinary profit increased 101.7% from the previous fiscal year to 425.3 billion yen.



**Net Income Attributable to Shareholders of Parent Company**

Net income attributable to shareholders of parent company increased 129.6% from the previous fiscal year to 231.2 billion yen, mainly due to increased net income for the year at Dai-ichi Frontier Life and Protective Life.




## ■ Consolidated Balance Sheet

The consolidated balance sheet was as follows.

| Assets | Liabilities | Net assets |
|---|---|---|
| **¥51,985.8 billion** (104.1% YoY) | **¥48,848.5 billion** (104.0% YoY) | **¥3,137.2 billion** (107.0% YoY) |

## (2) Indicators of Profitability and Capital Productivity

Due to the unique characteristics of life insurance business (See "[Reference] Business Characteristics of Life Insurance Companies"), the profitability, capital productivity, corporate value, etc. of a life insurance company cannot be accurately measured using profits for a single year or other indicators under the accounting standard pursuant to laws and regulations (hereinafter referred to as the "Statutory Accounting Standards"). Operational conditions of a life insurance company should therefore be understood through comprehensive examinations of indicators such as fundamental profit, embedded value (EV), ROEV (an indicator of EV growth), and the solvency margin ratio.

## ■ Group Adjusted Profit

**¥210.1 billion**
**(102.7% YoY)**

Because the Group has shifted to a holding company structure, the Group shall pay shareholder returns primarily derived from cash provided by each group company as dividend payments and pooled together by the holding company.

With regard to the indicator representing the source of shareholder returns, the Group further focuses on the cash-based substantial profit of each group company and aims for a more stable source of shareholder returns. This item shall be redefined as "group adjusted profit."

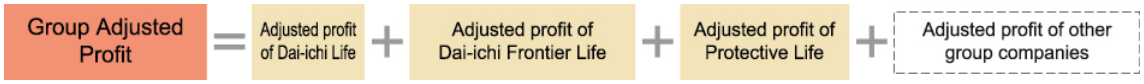
Group adjusted profit is a proprietary indicator of the Group and a sum of the adjusted profit of the group companies. For a domestic life insurance company, the adjusted profit is calculated by

adding a provision in excess of the statutory amount (after-tax) of the provision for reserves that are classified as liabilities (*1) and subtracting “gains and losses related to market value adjustment (after-tax) of fixed insurance (*2),” that is, unrealized holding gains or losses for accounting purposes that are insubstantial, to and from its net income. In addition, consolidation adjustments, such as amortization of goodwill and gains or losses on charge in equity upon reorganizing subsidiaries, etc., shall be excluded.

Group adjusted profit increased 102.7% from the previous fiscal year to 210.1 billion yen.

*1 Reserves that are classified as liabilities represent “contingency reserve,” a reserve against risks such as the underwriting of insurance, and “reserve for price fluctuations,” a reserve against a potential fall in asset prices

*2 Market value adjustment (MVA) is a function which reflects a change in the value of invested assets due to changes in interest rates to the surrender value. Gains or losses from MVA refers to gains or losses arising from the difference in the statement of earnings between the recording of changes in surrender value (an accounting liability) as provisions or reversals of policy reserve, and the non-recording of changes in actual invested asset value (unrealized gains or losses). As they arise from temporary accounting evaluation, they are not considered to be a loss on an economic-value basis involving cash flow.




## ■ Fundamental Profit (of the Group)

**¥558.4 billion**
**(102.7% YoY)**

Fundamental profit is one of the indicators that show the core profit and loss situation of a life insurance company during the period under review. It consists of insurance-related income and expenses such as premium income and payment of benefits and claims as well as operating expenses, as well as investment-related income and expenses centering on interests and dividends.

The Group’s fundamental profit (*1) increased 102.7% from the previous fiscal year to 558.4 billion yen. Positive spread (*2) decreased to 83.0% of the previous year to 88.3 billion yen, mainly due to decreased interests and dividends and others.

*1 The value stated as the fundamental profit of the Group is the sum of fundamental profits of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life, pretax operating profit of Protective Life, underlying profit of TAL (on a pretax basis), pretax profit of Dai-ichi Life Vietnam, equity method income of affiliated companies and others, adjusted for certain internal transactions within the Group.

*2 Insurance companies guarantee policyholders a certain level of return from their investments in advance, and calculate premiums discounted with the assumed rate of return. This discount rate is called the assumed rate of return. For this reason, an insurance company needs to secure the sum equivalent to guaranteed investment return from investment returns and other income. If actual investment returns and other income are sufficient for the total assumed rate of return, the state is

called a positive spread, and if it is short, the difference is called a negative spread. The positive spread is the combined figure for Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life.

## ■ ROE, Operating ROE (of the Group)

**ROE 7.6%**
**Operating ROE 14.4%**

The Group's return on equity (ROE) was 7.6%.

Life insurance companies have unique business characteristics and accounting profits are understated due to provision for reserves that are classified as liabilities, etc. Therefore, capital productivity cannot be accurately measured using ROE under the Statutory Accounting Standards alone. Accordingly, the Group sets Operating ROE, a proprietary indicator of the Group representing capital productivity partly adjusted in light of the characteristics of the life insurance business, as one of the performance indicators for management.

Specifically, to make it an indicator that more appropriately indicates the profit and loss situation of the core insurance business during the period under review, Operating ROE is calculated by dividing (i) the fundamental profit of the Group after various adjustments, such as the deduction of profit and loss, an adjustment that varies due to financial and economic conditions (core profitability; numerator), by (ii) consolidated net assets after various adjustments, such as the addition of reserves that are classified as liabilities and the deduction of net unrealized gains on securities, net of tax (core capital; denominator).

The Group's Operating ROE decreased from the previous fiscal year to 14.4%. When compared with figures shown in similar indicators disclosed by life insurance companies, etc. in North America, the Group's capital productivity remains at a comparable level.

**Definition of Operating ROE**

$$\text{Operating ROE} = \frac{\text{Core profitability(*1)}}{\text{Core capital(*2)}}$$

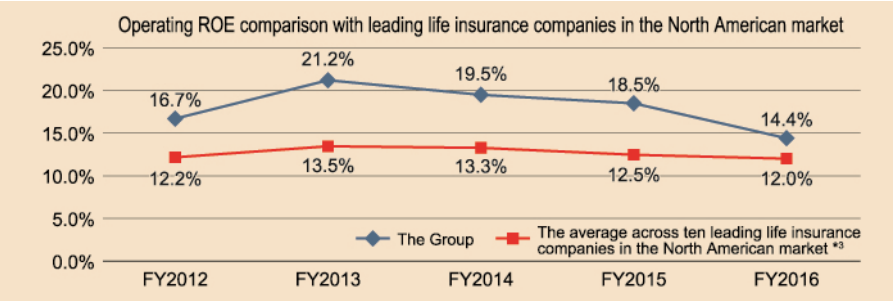
*1 Core profitability = fundamental profit
- ー provision for/reversal of policy reserves for minimum guarantee risk of variable insurance and benefits and claims, etc.
- ー provision for/reversal of policy reserves for market value adjustment of fixed insurance
- ー hedge costs related to foreign currency-denominated bonds with currency hedges
- ー provision for reserves for policyholder dividends
- ー profits and losses due to other special factors ー taxes

*2 Core capital (average of calculation results at the beginning and at the end)

= Consolidated net assets (except subscription rights to shares and minority interest)

+ Amount of reserves that are classified as liabilities

− Total accumulated other comprehensive income (Net unrealized gains on securities, net of tax, etc.)

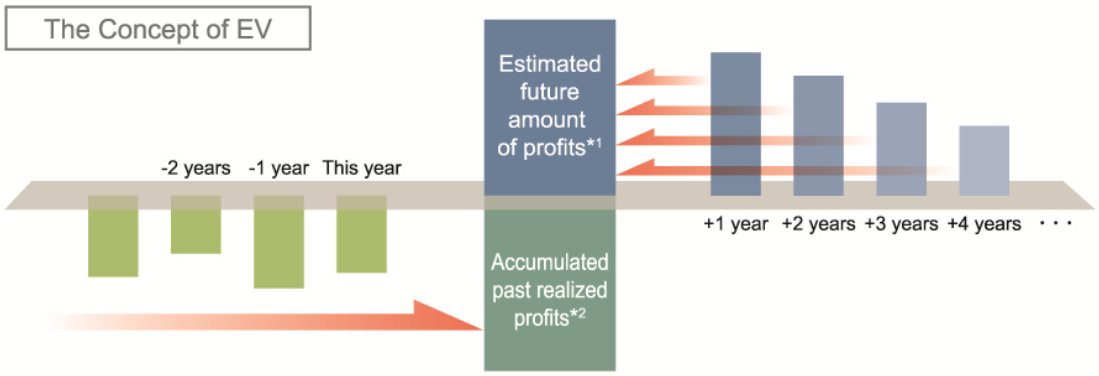



*3 The average across ten leading life insurance companies in the North American market is the average Operating ROE (or an equivalent indicator) announced by ten leading life insurance companies in terms of market capitalization at the end of March, 2017. The average of Operating ROE (fiscal years ended December 31) is stated in the financial results, etc. for each fiscal year.

## ■ Embedded Value (of the Group)

**EV ¥5,495.4 billion**
**ROEV 20.3%**

Embedded Value (EV), one of the indicators of corporate value of life insurance companies, is the sum of the accumulated "realized" profits in the past and the estimated future amount of profits from insurance policies in-force held.




*1 The estimated future amount of profits is the same resulting from insurance policies in-force already held and does not include profits from new policies in the future.

*2 The accumulated past realized profits are the sum of total net assets on the balance sheet (except for unrealized gains and losses on securities) and reserves that are classified as liabilities.

EV not only recognizes the contribution of future profits at the time of acquiring new policies, but also reflects the accumulated provision for reserves that are classified as liabilities. This ROEV, an indicator of EV growth, is considered to supplement ROE under the Statutory

Accounting Standards. The Group sets ROEV as one of the management indicators relating to enhanced corporate value. Mainly due to the acquisition of new insurance policies and the rise of stock prices and domestic interest rates, the Group's EV increased from the end of the previous fiscal year to 5,495.4 billion yen, and the Group's ROEV was 20.3%.

### (3) Indicator of General Financial Soundness

#### ■ Consolidated Solvency Margin Ratio

**749.2%**
**(a decrease of 14.6 points from the end of the previous fiscal year)**

Solvency margin ratio is one of the indicators used by the supervising administrative agency to ascertain the extent to which an insurance company can meet payment obligations in the event risks exceed the normally anticipated level.

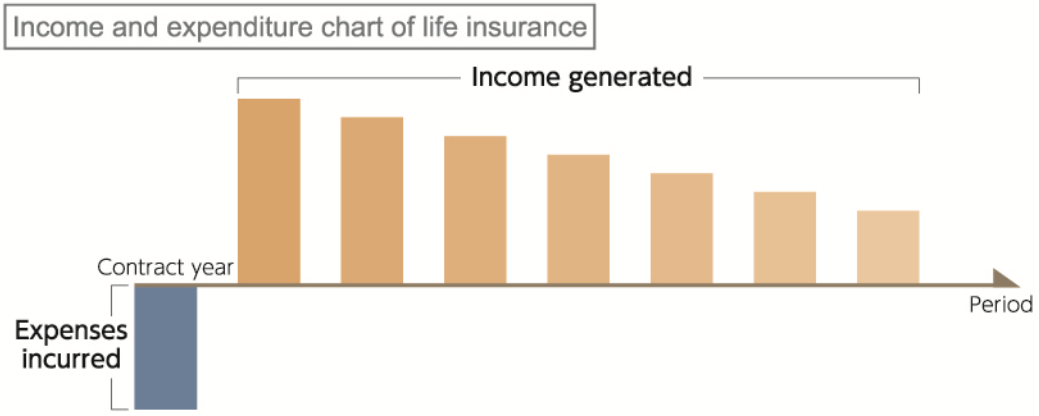
Specifically, the ratio is the index that shows how diverse risks are covered by the total of capital and other internal reserves, as well as by unrealized gains and losses on securities and other assets (total solvency margin), when exposed to risks greater than normally anticipated. The diverse risks may include those involved in the payment for claims and other benefits and investment risks. The consolidated solvency margin ratio was 749.2% (a decrease of 14.6 points from the end of the previous fiscal year).

**[Reference] Business Characteristics of Life Insurance Companies**

The business characteristics of a life insurance company differ from that of a general company in the following respects:

- **As the contract term for life insurance is very long by nature, profits and losses of the contract cannot be recognized on a single-year statements of accounts.**

The contract term for life insurance is long by nature. During the life of the contract, heavy expenses are incurred in the first year while premiums are paid at an equal rate over a long period. There is a significant time lag until income and expenses in the life insurance business can be realized since new policies are acquired, because income is generated over a contract period from the investment of premiums as funds for the payment of benefits and claims.




- **Life insurance companies are obligated to accumulate reserves that are classified as liabilities (contingency reserve and reserve for price fluctuations) for payment of benefits and claims.**

To enable flawless payment of benefits and claims over the years to come, life insurance companies in Japan are obligated to accumulate reserves that are classified as liabilities based on a prescribed standard pursuant to the Insurance Business Act. Accounting profits are understated due to the accumulation of these reserves.

- **Net assets fluctuate according to the financial and economic environment.**

To enable flawless payment of benefits and claims in the future, life insurance companies in Japan manage marketable securities such as fixed income securities. The majority of these assets under management are marked-to-market at the settlement of accounts, and valuation differences between the market value and book value are included in “net unrealized gain on

securities, net of tax (unrealized gains)” of the net assets. Meanwhile, the amount of policy reserves accounting for the majority of liabilities is calculated by projected future investment-related income, etc. at the time new policies are acquired and is therefore unaffected by the financial and economic environment. Accordingly, the net assets of life insurance companies are significantly affected by the market value according to the financial and economic environment on each settlement date. When unrealized gains of securities increase, for example, net assets increase and, as a result, ROE decreases. However, this does not indicate an essential deterioration of capital productivity.

**[Issues to Be Addressed]**

Since the beginning of its medium-term management plan (“D-Ambitious”), the Group has steadily carried out its growth strategy driven by the three growth engines, namely the domestic life insurance business, the overseas life insurance business, and the asset management business, based on the following four pillars as base strategies, and has further strengthened the management and governance structure that supports its growth strategy. The Group has also realized considerable improvement over profit levels compared to the period of the former medium-term management plan, even under stringent business conditions such as the negative interest rate policy introduced by the Bank of Japan and the UK’s decision to depart from the EU (Brexit).

In expectation of prolonged low interest rate conditions in Japan, growing uncertainty over the financial and economic environment, and other factors, however, the Group decided to modify the major management objectives of D-Ambitious, such as the ROEV, Economic Solvency Ratio (ESR)*, and profit levels.

EV is an indicator in which future profit is calculated under the assumption that the yield curve at the time of the valuation date will be maintained for the future. As the EV as of the end of March 2016 was affected by the negative interest rate policy introduced in January 2016 and future profit estimates significantly declined compared to the end of March 2015, ROEV became negative. Further, due to the projection of prolonged low interest rate conditions, we have concluded that it would be difficult to achieve our targeted ROEV over the three years up to fiscal 2017 solely through management efforts focused on the acquisition of new policies. Based on the above, we have updated it as a “Mid-to-long Term Vision” and have revised our goal from the previous “Achieve an average ROEV of over 8% as a three-year average from fiscal 2015 to fiscal 2017” to “Aim for an average ROEV of 8% over a mid- to long-term timeframe.” Likewise, in terms of ESR, an indicator of the Company’s financial soundness, we have updated it as a “Mid-to-long Term Vision” and have revised our goal from the previous “Achieve 170% to 200% by the end of fiscal 2017” to “Aim for 170% to 200% over a mid- to long-term timeframe,” in consideration of the future capital regulations.

In addition, as for the profit level for fiscal 2017, significant changes in the surrounding environment since the formulation of “D-Ambitious” have forced the Group to revise its original objective, as there is a high probability that the Group will be unable to achieve its original objective. At the same time, we have modified the definition and the previous goal of

consolidated adjusted net income of 220 billion yen to group adjusted profit of 180 billion yen. In terms of shareholder returns, the Group's objective of 40% is maintained as a total payout ratio based on group adjusted profit.

The Group has made these modifications in a bid to sustainably create value from the medium- to long-term perspective. The Group will dare to take on changes with more agility and a strong forward-looking perspective by accelerating and upgrading its growth strategy, further enhancing its organizational structure, and maximizing group synergy.

* The Economic Solvency Ratio (ESR) is an indicator of the Company's financial soundness. It is calculated by dividing the amount of capital based on economic capital (numerator) by the amount of risk determined based on an internal model (after tax, confidence interval of 99.5%) (denominator).

## I. Dynamism: Achievement of Sustainable Growth to Meet Stakeholders' Expectations

In addition to the three growth engines, the Group will make efforts to create new growth opportunities by promoting "InsTech" and a business alliance with Japan Post Insurance.

### (1) Domestic Life Insurance Business

The Group will further promote its customer-oriented business operations under a three-company structure consisting of Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life. The Group will also precisely cater to a wide range of customer needs by providing the most suitable products and services via the most appropriate channels.

Dai-ichi Life will offer "ensuring customers' peace of mind" and "offering excellent health support" under its domestic growth strategy: By your side, for life - With You Project. Dai-ichi Life will take further steps to reinforce its training system to help improve the consulting capabilities of Total Life Plan Designers, with a view to promoting sales of products that meet customer needs and further increasing points of contact with customers. Furthermore, this subsidiary will aim to promote sales of flagship products and third sector products as a growth area by expanding product lineup according to customer needs. In addition, it will work to improve services that help customers promote health with a view to offering new value, including health support services and services to prevent serious medical conditions.

Dai-ichi Frontier Life will make efforts to expand its product lineup focused on foreign currency-denominated products and others based on customer needs under the prolonged domestic low interest rate environment while continuously strengthening its risk management

according to product features. Moreover, this subsidiary will strive to further improve support for agent financial institutions and make other efforts.

Neo First Life will improve products and services that promptly respond to customer needs and satisfy customers, including “health promotive” insurance products based on its corporate slogan of “Putting customers’ ‘I wish’ first.” This subsidiary will also promote the diversification of sales channels such as direct sales while taking steps to improve its structure to support the agencies that handle its products.

### (2) Overseas Life Insurance Business

The Group will aim for a stable contribution to profits in developed markets where Protective Life and TAL are conducting their businesses, while accelerating the growth of group companies in Asian emerging countries. Further, the Group will pursue acquisition in the North American market through Protective Life and new investments in emerging markets.

### (3) Asset Management Business

Amidst the prolonged low interest rate conditions in Japan, Dai-ichi Life will endeavor to continuously strengthen its control over interest rate risk and aim to increase investment income by promoting moves toward the realization of a more sophisticated asset management, including initiatives to provide investments and loans, etc. for growth areas and new areas. Dai-ichi Life has strengthened the structure for stewardship activities mainly by setting up a dedicated department as a “Responsible Institutional Investor.” We will further promote our efforts to enhance the corporate value of our portfolio companies.

The asset management business will aim to increase the balance of assets under management in domestic and overseas markets. The Group will further reinforce the asset management business through the operation of Asset Management One and the business integration between Janus and Henderson scheduled in fiscal 2017, and will contribute to customers’ asset-building.

### (4) Promotion of InsTech

With respect to InsTech, the initiatives aiming to create innovation unique to the life insurance business from both Insurance and Technology perspectives, the Group will work to further generate added value while collaborating with companies in other business categories and making use of outside development capabilities and ideas.

### (5) Business Alliance with Japan Post Insurance

Through the business alliance with Japan Post Insurance, the Group will strive to strengthen our business foundation and create new growth opportunities by taking advantage of the strengths of both companies in three areas of collaboration: overseas life insurance business, asset management business, and domestic life insurance business.

## II. Discipline: Ensuring Adequate Capital Levels and Improving Capital Efficiency through Disciplined Capital Allocation

To meet stakeholders' expectations, the Group will strive to enhance capital efficiency and corporate value by endeavoring to improve the profitability of each line of business and establish optimal business portfolios.

Moreover, the Group will further strengthen our initiatives based on an ERM framework in light of the stringent financial and economic environment such as the prolonged domestic low interest rate conditions and continue to maintain and further enhance our financial soundness in consideration of the capital regulations required of us in the future as an internationally active insurance group.

## III. Dimension: Further Evolution of Group Governance under a Holding Company Structure

The Group will conduct the optimal allocation of management resources of the total Group and business expansion to growth areas by maximizing the benefits of the holding company structure. As a company with a Board with an Audit & Supervisory Committee Structure, the Group will take steps to establish a corporate governance structure in order to serve as a model in the industry as a listed company under the Basic Corporate Governance Policy.

## IV. Diversity: Ensuring Diversity and Inclusion on a Group and Global Basis

The Group will further nurture an environment in which diverse human capital can thrive regardless of nationality, gender, disability, and lifestyle, while promoting the development of human capital that will support our global business expansion.

Setting a new medium- to long-term vision—Peace of mind. In communities and around the world—as an objective for 2020, the Group aims to become an insurance group that continues to be selected by people around the world. To realize this medium- to long-term vision, the Group will unite in its determination to continue to innovate by refining its own strengths through the practice of DSR Management while maintaining the “Customer First” spirit that has defined it since its founding.

## 2. Assets and Income of the Corporate Group and Insurance Holding Company (the Company)

### (i) Assets and income of the corporate group

| Category | Fiscal 2013 | Fiscal 2014 | Fiscal 2015 | **Fiscal 2016 (Current fiscal year)** |
|---|---|---|---|---|
| | | | | millions of yen |
| Consolidated ordinary revenues | 6,044,955 | 7,252,242 | 7,333,947 | **6,456,796** |
| Consolidated ordinary profit | 304,750 | 406,842 | 418,166 | **425,320** |
| Net Income attributable to shareholders of parent company | 77,931 | 142,476 | 178,515 | **231,286** |
| Consolidated comprehensive income | 300,180 | 1,384,315 | (592,867) | **264,969** |
| Consolidated total net assets | 1,947,613 | 3,589,927 | 2,932,959 | **3,137,266** |
| Consolidated total assets | 37,705,176 | 49,837,202 | 49,924,922 | **51,985,850** |

### (ii) Assets and income of the Insurance Holding Company

| Category | Fiscal 2013 | Fiscal 2014 | Fiscal 2015 | **Fiscal 2016 (Current fiscal year)** |
|---|---|---|---|---|
| Operating revenues | | | | millions of yen |
| | - | - | - | **21,826** |
| Dividend income | - | - | - | **17,295** |
| Subsidiaries, etc. engaging in insurance business | - | - | - | **16,279** |
| Other subsidiaries, etc. | - | - | - | **1,016** |
| Ordinary revenues | 4,384,670 | 4,798,467 | 4,265,779 | **2,027,716** |
| Net income for the year | 85,544 | 152,196 | 129,123 | **101,910** |
| Net income per share | ¥86.26 | ¥133.46 | ¥108.88 | **¥86.63** |
| Total assets | | | | millions of yen |
| | 34,028,823 | 36,828,768 | 35,894,956 | **1,679,530** |
| Shares, etc. of subsidiaries, etc. engaging in insurance business | - | - | - | **1,504,669** |
| Shares, etc. of other subsidiaries, etc. | - | - | - | **34,936** |

(Notes) 1. The above figures for fiscal 2016 represent the total amounts for the former Dai-ichi Life (insurance company) and Dai-ichi Life Holdings (insurance holding company) (excluding total assets), while the figures for fiscal 2013 through 2015 represent the amounts for the former Dai-ichi Life (insurance company).

2. The former Dai-ichi Life implemented a stock split on October 1, 2013 whereby one share of common stock of the Company was split into 100 shares. Accordingly, net income per share is calculated on the assumption that the stock split was executed at the beginning of fiscal 2013.

### 3. Major Creditors of the Corporate Group

| Sector | Company name | Creditors | Balance of loans |
|---|---|---|---|
| Domestic life insurance business | The Dai-ichi Life Insurance Company, Limited | Syndicated loan (Note 2) | millions of yen<br>283,000 |
| Other businesses | The Company | Mizuho Bank, Ltd. | 450,000 |

(Notes) 1. The above table includes the Company and its consolidated subsidiaries, etc.
2. A syndicated loan by 24 financial institutions that is a perpetual subordinated borrowing to the effect that the obligations are junior to other obligations.

### 4. Financing of the Corporate Group

| Sector | Company | Details and amount of financing |
|---|---|---|
| Domestic life insurance business | The Company and The Dai-ichi Life Insurance Company, Limited | In July 2016, the Company financed USD 2.5 billion through the issuance of its US-dollar-denominated perpetual subordinated bonds (subject to interest payment postponement).<br>These bonds were succeeded by The Dai-ichi Life Insurance Company, Limited due to a corporate split as of October 1, 2016 . |
| Other businesses | The Company | In September 2016, the Company financed 450,000 million yen through a senior loan. |

(Note) The above table includes the Company and its consolidated subsidiaries, etc.

### 5. Capital Expenditure of the Corporate Group

#### (i) Total amount of capital expenditure

(millions of yen)

| Sector | Amount |
|---|---|
| Domestic life insurance business | 68,607 |
| Overseas insurance business | 3,151 |
| Other businesses | 63 |
| Total | 71,822 |

(Notes) 1. The above table includes the Company and its consolidated subsidiaries, etc.
2. Capital expenditure was made for investment and business use.

#### (ii) Establishment of significant facilities

Not applicable

## 6. General Description of Significant Parent Company and Subsidiaries, etc.

### (i) Parent company

Not applicable

### (ii) Subsidiaries, etc.

| Company name | Location | Major business | Date of establishment | Capital | Percentage of voting rights of subsidiaries, etc. held by the Company |
|---|---|---|---|---|---|
| The Dai-ichi Life Insurance Company, Limited | Chiyoda-ku, Tokyo | Life insurance business | April 1, 2016 | ¥60,000 million | 100.0% (100.0%) |
| The Dai-ichi Frontier Life Insurance Co., Ltd. | Shinagawa-ku, Tokyo | Life insurance business | December 1, 2006 | ¥117,500 million | 100.0% (100.0%) |
| The Neo First Life Insurance Company, Limited | Shinagawa-ku, Tokyo | Life insurance business | April 23, 1999 | ¥25,100 million | 100.0% (100.0%) |
| Protective Life Corporation | Birmingham, U.S.A. | Life insurance and insurance related business | July 24, 1907 | US$10 | 100.0% (100.0%) |
| TAL Dai-ichi Life Australia Pty Ltd | Sydney, Australia | Life insurance and insurance related business | March 25, 2011 | A$1,630 million | 100.0% (100.0%) |
| TAL Dai-ichi Life Group Pty Ltd | Sydney, Australia | Consultation on the management of other business operators | March 25, 2011 | A$2,217 million | 0% (100.0%) |
| TAL Life Limited | Sydney, Australia | Life insurance business | October 11, 1990 | A$604 million | 0% (100.0%) |
| Dai-ichi Life Insurance Company of Vietnam, Limited | Ho Chi Minh, Vietnam | Life insurance business | January 18, 2007 | VND2,153.1 billion | 100.0% (100.0%) |
| Star Union Dai-ichi Life Insurance Company Limited | Navi Mumbai, India | Life insurance business | September 25, 2007 | INR2,589 million | 45.94% (45.94%) |
| PT Panin Internasional | Jakarta, Indonesia | Consultation on the management of other business operators | July 24, 1998 | IDR1,022.5 billion | 36.8% (36.8%) |
| PT Panin Dai-ichi Life | Jakarta, Indonesia | Life insurance business | July 19, 1974 | IDR1,067.3 billion | 5.0% (100.0%) |
| OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED | Bangkok, Thailand | Life insurance business | January 11, 1949 | THB2,360 million | 24.0% (24.0%) |
| Corporate-pension Business Service Co., Ltd. | Shinagawa-ku, Tokyo | Administrative services for corporate pension systems (administrative work, etc. for contracts, the insured, and income and expenses) | October 1, 2001 | ¥6,000 million | 0% (50.0%) |
| Asset Management One Co., Ltd. | Chiyoda-ku, Tokyo | Investment management services, investment advisory services, and class 2 financial instruments business | July 1, 1985 | ¥2,000 million | 49.0% (49.0%) |
| NEOSTELLA CAPITAL CO., LTD. | Chuo-ku, Tokyo | Services relating to investment in private equity, etc. | December 1, 1989 | ¥100 million | 0% (50.0%) |
| Trust & Custody Services Bank, Ltd. | Chuo-ku, Tokyo | Asset administration services for master trust and securities, and asset administration services for defined contribution pensions | January 22, 2001 | ¥50,000 million | 0% (16.0%) |
| Japan Excellent Asset Management Co., Ltd. | Minato-ku, Tokyo | Investment management services | April 14, 2005 | ¥450 million | 0% (36.0%) |
| Janus Capital Group Inc. | Denver, U.S.A. | Investment management services | January 23, 1998 | US$1 million | 19.7% (19.7%) |

(Notes) 1. The above table includes, among others, the Company's significant consolidated subsidiaries, etc. and affiliated companies under the equity-method. The following companies are omitted: 44 companies affiliated with Protective Life Corporation; 14 companies other than TAL Dai-ichi Life Group Pty Ltd and TAL Life Limited from among 16

companies affiliated with TAL Dai-ichi Life Australia Pty Ltd; 1 company affiliated with Dai-ichi Life Insurance Company of Vietnam, Limited; 4 companies other than PT Panin Dai-ichi Life from among 5 companies affiliated with PT Panin Internasional; 6 companies affiliated with Asset Management One Co., Ltd.; and 23 companies affiliated with Janus Capital Group Inc.

2. Figures in parentheses under "Percentage of voting rights of subsidiaries, etc. held by the Company" represent percentages including the those of indirect voting rights, which in turn include the percentages of "voting rights held by any persons who are found to exercise their voting rights in the same manner as the intent of the subject person due to their close ties with the subject person in terms of contribution, personnel affairs, funds, technology, transactions, etc. and those held by any persons who have given their consent to exercising their voting rights in the same manner as the intent of the subject person."

## 7. Transfer and Acquisition of the Business of the Corporate Group

| Date of transfer of the business | Status of transfer of the business |
|---|---|
| September 26, 2016; March 24, 2017 | On September 26, 2016, the Company acquired 18% of the total issued shares of Star Union Dai-ichi Life Insurance Company Limited (hereinafter "Star Union Dai-ichi Life"), an affiliated company, from the Bank of India, a national bank of India. Furthermore, on March 24, 2017 the Company independently underwrote shares newly issued by Star Union Dai-ichi Life. As a result, the Company's voting ratio in Star Union Dai-ichi Life became 45.94%. |
| October 1, 2016 | The Company caused The Dai-ichi Life Insurance Company, Limited to succeed the Company's domestic life insurance business effective October 1, 2016 pursuant to the Absorption-Type Corporate Split Agreement concluded on April 8, 2016 with The Dai-ichi Life Split Preparation Company, Limited (current corporate name: The Dai-ichi Life Insurance Company, Limited). |
| October 1, 2016 | DIAM Co., Ltd., an affiliate of the Company (current corporate name: Asset Management One Co., Ltd.), merged with the asset management function of Mizuho Trust & Banking Co., Ltd., Mizuho Asset Management Co., Ltd., and Shinko Asset Management Co., Ltd. by way of absorption-type merger and absorption-type corporate split to incorporate Asset Management One Co., Ltd. on October 1, 2016. As a result, the Company's voting ratio in Asset Management One Co., Ltd. became 49%. |
| October 20, 2016 | The Dai-ichi Life Insurance Company, Limited, a subsidiary of the Company, transferred a part of its shares of Trust & Custody Services Bank, Ltd. to JAPAN POST INSURANCE Co., Ltd. As a result, the Company's voting ratio in Trust & Custody Services Bank, Ltd. became 16%. |

## 8. Other Important Information Concerning the Corporate Group

Not applicable

## 2 Corporate Officers

### 1. Directors, Audit and Supervisory Board Members, and Audit & Supervisory Committee Members

(As of the end of the current fiscal year)

| Name | Position and responsibility | Significant concurrent positions | Others |
|---|---|---|---|
| Katsutoshi Saito | Representative Director and Chairman of the Board | Representative Director and Chairman of the Board, The Dai-ichi Life Insurance Company, Limited<br>Director, Imperial Hotel, Ltd.<br>Corporate Auditor, Asahi Group Holdings, Ltd.<br>Corporate Auditor, Tokyu Corporation | Resigned as Director on March 31, 2017 |
| Koichiro Watanabe | Representative Director and President | Representative Director and President, The Dai-ichi Life Insurance Company, Limited | |
| Shigeo Tsuyuki | Representative Director and Deputy President<br>Supervise:<br>International Life Insurance Business Unit (the matters regarding North America and Asia Pacific)<br>In charge of:<br>International Life Insurance Business Unit (except for the matters regarding North America and Asia Pacific) | Corporate Auditor, Toyo Wharf & Warehouse Co., Ltd. | |
| Norimitsu Horio | Representative Director and Deputy President<br>Supervise:<br>The matters regarding Individual Life Insurance Business and Group Life Insurance Business | Director, Hakuyosha Co., Ltd. | Resigned as Director on March 31, 2017 |
| Satoru Tsutsumi | Representative Director and Deputy President<br>Supervise:<br>Asset Management Business Unit | Representative Director and Deputy President, The Dai-ichi Life Insurance Company, Limited | |
| Kazuma Ishii | Director and Senior Managing Executive Officer<br>Supervise:<br>Actuarial and Accounting Unit | | |
| Tomoyasu Asano | Director and Senior Managing Executive Officer<br>Supervise:<br>IT Business Process Unit | Corporate Auditor, Seiko Holdings Corporation<br>Corporate Auditor, Tokyu Fudosan Holdings Corporation | Resigned as Director on March 31, 2017 |

| Name | Position and responsibility | Significant concurrent positions | Others |
|---|---|---|---|
| Hideo Teramoto | Director and Senior Managing Executive Officer<br>Supervise:<br>Marketing Strategy Unit<br>The matters regarding marketing strategy of The Dai-ichi Frontier Life Insurance Co., Ltd. and The Neo First Life Insurance Co., Ltd.<br>Chief General Manager, Marketing Promotion | Director and Senior Managing Executive Officer, The Dai-ichi Life Insurance Company, Limited<br>Outside Statutory Auditor, TSUGAMI CORPORATION | |
| Takashi Kawashima | Director and Senior Managing Executive Officer<br>Supervise:<br>Public Relations Unit, Risk Management Unit, Compliance Unit, General Affairs Unit, Human Resources Unit<br>Chief General Manager, DSR Management Promotion | Director and Senior Managing Executive Officer, The Dai-ichi Life Insurance Company, Limited<br>Audit & Supervisory Board Member (Outside), NSD CO., LTD. | |
| Seiji Inagaki | Director and Managing Executive Officer<br>Supervise:<br>Corporate Planning Unit | Director and Managing Executive Officer, The Dai-ichi Life Insurance Company, Limited | |
| Haruo Funabashi | Director (Outside) | Representative Director, Sirius Institute Inc.<br>Board Director (External), Hitachi Capital Corporation<br>Corporate Auditor, EPS Holdings, Inc.<br>Corporate Auditor, Kenedix, Inc.<br>Corporate Auditor, Konoike Transport Co., Ltd.<br>Corporate Auditor, Pasona Group Inc. | |
| George Olcott | Director (Outside) | Director, DENSO CORPORATION<br>Director, Hitachi Chemical Company, Ltd. | |
| Koichi Maeda | Director (Outside) | Member of the Board and Chief Executive Counselor, NTT FINANCE CORPORATION | |
| Morinobu Nagahama | Director (Senior Audit & Supervisory Committee Member (Full-Time)) | Director, The Dai-ichi Life Insurance Company, Limited<br>Corporate Auditor, Sekisui Plastics Co., Ltd. | |

| Name | Position and responsibility | Significant concurrent positions | Others |
|---|---|---|---|
| Fusakazu Kondo | Director (Audit & Supervisory Committee Member (Full-Time)) | | He has gained the experience as the General Manager of the Profit Management Dept. and possesses considerable knowledge of finance and accounting. |
| Rieko Sato | Director (Audit & Supervisory Committee Member) (Outside) | Partner, Ishii Law Office<br>Corporate Auditor, NTT DATA CORPORATION | |
| Ungyong Shu | Director (Audit & Supervisory Committee Member) (Outside) | President & CEO, Core Value Management, Co., Ltd. | |
| Koichi Masuda | Director (Audit & Supervisory Committee Member) (Outside) | Outside Director, KITAMURA Co., Ltd.<br>Director (Outside) Audit and Supervisory Committee Member, The Daishi Bank, Ltd.<br>Outside Audit and Supervisory Board Member, Sumitomo Riko Company Limited | |
| Kenji Sakurai | Director and Senior Managing Executive Officer<br>In charge of:<br>Workplace Sales Force Promotion Dept., Financial Planning and Consulting Dept., Customer Service Dept., Contact Center Control Dept., Metropolitan Sales Management Dept.<br>Chief General Manager, Consulting Promotion, Chief General Manager, Metropolitan Market | | Retired as Director on September 30, 2016 |
| Michiko Miyamoto | Director (Outside) | Vice President, The Open University of Japan | Retired as Director on September 30, 2016 |
| Atsushi Nagayama | Senior Audit and Supervisory Board Member (Full-time) | | Retired as Audit and Supervisory Board Member on September 30, 2016 |
| Masasuke Omori | Audit and Supervisory Board Member (Outside) | Attorney-at Law, Yaesu Law Office | Retired as Audit and Supervisory Board Member on September 30, 2016 |
| Takashi Wachi | Audit and Supervisory Board Member (Outside) | Representative Director, Human Resources Development Management Study Group, Limited Liability Company | Retired as Audit and Supervisory Board Member on September 30, 2016 |

| Name | Position and responsibility | Significant concurrent positions | Others |
|---|---|---|---|
| Tsuneaki Taniguchi | Audit and Supervisory Board Member (Outside) | | Retired as Audit and Supervisory Board Member on September 30, 2016 |

(Notes)
1. The names of Mr. Haruo Funabashi, Mr. George Olcott, Mr. Koichi Maeda, Ms. Rieko Sato, Mr. Ungyong Shu, and Mr. Koichi Masuda, all of whom are outside directors (including directors serving as Audit & Supervisory Committee members) have been filed with Tokyo Stock Exchange, Inc. as independent directors/auditors who have no conflicts of interest with general shareholders pursuant to the rules of Tokyo Stock Exchange, Inc.
2. Definition of "Supervise": To provide advice and guidance from an overall standpoint to directors and executive officers in charge of the departments under one's control, promote cooperation between the departments under one's control, and thereby assist the President in the fields under one's control.
3. The "Position and responsibility" and "Significant concurrent positions" indicated for Mr. Kenji Sakurai and Ms. Michiko Miyamoto, both of whom retired as directors on September 30, 2016, and for Mr. Atsushi Nagayama, Mr. Masasuke Omori, Mr. Takashi Wachi, and Mr. Tsuneaki Taniguchi, all of whom retired as Audit and Supervisory Board members on September 30, 2016, are those at the time of their retirements.
4. Mr. Morinobu Nagahama and Mr. Fusakazu Kondo, both of whom are directors, are full-time Audit & Supervisory Committee members. The reason for electing full-time Audit & Supervisory Committee members, in light of the scale and business features of the Group, is to enhance the effectiveness of auditing and supervisory functions through a structure whereby persons having insight into the relevant business collect information and attend important meetings, and also work in close cooperation with the internal audit department, etc.

## 2. Remuneration for Directors, Audit and Supervisory Board Members, and Audit & Supervisory Committee Members

(millions of yen)

| Category | Number of persons | Remuneration | |
|---|---|---|---|
| Directors (excluding directors serving as Audit & Supervisory Committee members) | 18 persons | 622 | (4) |
| Directors serving as Audit & Supervisory Committee members | 5 persons | 67 | (0) |
| Audit and Supervisory Board Members | 5 persons | 56 | (0) |
| Total | 28 persons | 746 | (4) |

(Notes)

1. The above figures include two directors and four Audit and Supervisory Board members retired from the former Dai-ichi Life on September 30, 2016.
2. The Company made a shift to a Company with Audit & Supervisory Committee Structure from a Company with Audit and Supervisory Board concurrently with the shift to a holding company structure on October 1, 2016. The remuneration paid to Audit and Supervisory Board members is the remuneration paid from the former Dai-ichi Life before the shift to a holding company structure; the remuneration paid to directors serving as Audit & Supervisory Committee members is the remuneration paid from Dai-ichi Life Holdings, Inc. after the shift.
3. The total “Number of persons” represents the cumulative total number of persons.
4. From among the various types of remuneration paid to directors (excluding directors serving as Audit & Supervisory Committee members), the amount of remuneration relating to stock-based remuneration in the form of stock options (stock acquisition rights) is 89 million yen. The amount of consideration other than remuneration is shown in parentheses under “Remuneration.”
5. The upper limit on remuneration provided for in the Articles of Incorporation or at a general meeting of shareholders of the former Dai-ichi Life before the shift to a holding company structure is as follows.

| | |
|---|---|
| Directors | [Annual amount] 840 million yen<br>(the annual amount of remuneration for directors relating to stock-based remuneration in the form of stock options (stock acquisition rights), shall be within 200 million yen.) |
| Audit and Supervisory Board Members | [Annual amount] 168 million yen |

6. The upper limit on remuneration provided for in the Articles of Incorporation or at a general meeting of shareholders of Dai-ichi Life Holdings, Inc. after the shift to a holding company structure is as follows.

| | |
|---|---|
| Directors (excluding directors serving as Audit & Supervisory Committee members) | [Annual amount] 840 million yen<br>(the annual amount of remuneration for directors (excluding directors serving as Audit & Supervisory Committee members) relating to stock-based remuneration in the form of stock options (stock acquisition rights), shall be within 200 million yen.) |
| Directors serving as Audit & Supervisory Committee members | [Annual amount] 200 million yen |

**3. Liability Limitation Agreement**

| Name | Summary of liability limitation agreement |
|---|---|
| Haruo Funabashi<br>George Olcott<br>Koichi Maeda<br>Rieko Sato<br>Ungyong Shu<br>Koichi Masuda<br>Michiko Miyamoto<br>Masasuke Omori<br>Takashi Wachi<br>Tsuneaki Taniguchi | Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company entered into agreements with outside directors (including outside directors serving as Audit & Supervisory Committee members) to limit their liabilities stipulated in Article 423, Paragraph 1 of the same Act. The liability limit based on those agreements is 20 million yen or the minimum liability amount provided in Article 425, Paragraph 1 of the same Act, whichever is higher. |

## 3 Outside Officers

### 1. Concurrent Positions and Other Matters Concerning Outside Officers

| Name | Concurrent positions and other matters |
|---|---|
| Haruo Funabashi | Mr. Haruo Funabashi is the Representative Director of Sirius Institute Inc., an entity with which the Company conducts transactions such as payment of membership fees for a study group hosted and operated by that entity.<br>He is also a Board Director (External) of Hitachi Capital Corporation.<br>He is also an Outside Corporate Auditor of EPS Holdings, Inc.<br>He is also an Outside Corporate Auditor of Kenedix, Inc.<br>He is also an Outside Corporate Auditor of Konoike Transport Co., Ltd.<br>He is also an Outside Corporate Auditor of Pasona Group Inc. |
| George Olcott | Mr. George Olcott is an Outside Director of DENSO CORPORATION.<br>He is also an Outside Director of Hitachi Chemical Company, Ltd. |
| Rieko Sato | Ms. Rieko Sato is a Partner of Ishii Law Office.<br>She is also an Outside Corporate Auditor of NTT DATA CORPORATION, an entity with which the Company conducts transactions under business consignment. |
| Ungyong Shu | Mr. Ungyong Shu is the President & CEO of Core Value Management, Co., Ltd. |
| Koichi Masuda | Mr. Masasuke Omori is an Outside Director of KITAMURA Co., Ltd.<br>He is also a Director (Outside) Audit and Supervisory Committee Member of The Daishi Bank, Ltd.<br>He is also an Outside Audit and Supervisory Board Member of Sumitomo Riko Company Limited. |
| Masasuke Omori | Mr. Masasuke Omori is an Attorney-at-Law at Yaesu Law Office. |
| Takashi Wachi | Mr. Takashi Wachi is the Representative Director of Human Resources Development Management Study Group, Limited Liability Company. |

(Note) The “Concurrent positions and other matters” indicated for Mr. Masasuke Omori and Mr. Takashi Wachi, both of whom retired as Audit and Supervisory Board members on September 30, 2016, are those at the time of their retirements.

### 2. Main Activities of Outside Officers

| Name | Term of office | Attendance at the meetings of the Board of Directors | Remarks made at the meetings of the Board of Directors and other activities |
|---|---|---|---|
| Haruo Funabashi | Assumed office in June 2009 | Attended 16 Board of Directors meetings out of all 17 meetings held | He has appropriately expressed his opinion when deliberating agenda items, based on his many years of experience at administrative agencies and his expertise on corporate ethics and economic morality. |
| George Olcott | Assumed office in June 2015 | Attended 17 Board of Directors meetings out of all 17 meetings held | He has appropriately expressed his opinion when deliberating agenda items, based mainly on his expertise and experience in corporate governance. |

| Name | Term of office | Attendance at the meetings of the Board of Directors | Remarks made at the meetings of the Board of Directors and other activities |
|---|---|---|---|
| Koichi Maeda | Assumed office in October 2016 | Attended 7 Board of Directors meetings out of all 7 meetings held after his assumption of office | He has appropriately expressed his opinion when deliberating agenda items, based mainly on his deep experience and insight gained through acting as business executive of highly public enterprises. |
| Rieko Sato | Assumed office in June 2015 | Attended 16 Board of Directors meetings out of all 17 meetings held<br>Attended 10 Audit & Supervisory Committee meetings out of all 10 meetings held | She has appropriately expressed her opinion based mainly on her expertise and experience as an attorney-at-law. |
| Ungyong Shu | Assumed office in June 2015 | Attended 17 Board of Directors meetings out of all 17 meetings held<br>Attended 10 Audit & Supervisory Committee meetings out of all 10 meetings held | He has appropriately expressed his opinion based mainly on his knowledge and experience as a managing director of financial institutions. |
| Koichi Masuda | Assumed office in October 2016 | Attended 6 Board of Directors meetings out of all 7 meetings held after his assumption of office<br>Attended 10 Audit & Supervisory Committee meetings out of all 10 meetings held after his assumption of office | He has appropriately expressed his opinion based mainly on his rich experience and advanced knowledge and expertise as a certified public accountant. |
| Michiko Miyamoto | Assumed office in June 2012<br>Retired in September 2016 | Attended 7 Board of Directors meetings out of all 10 meetings held before her retirement | She had appropriately expressed her opinion when deliberating agenda items, based mainly on her knowledge and experience as an expert in sociology. |
| Masasuke Omori | Assumed office in July 2007<br>Retired in September 2016 | Attended 9 Board of Directors meetings out of all 10 meetings held before his retirement<br>Attended 7 Audit and Supervisory Board meetings out of all 7 meetings held before his retirement | He had appropriately expressed his opinion based mainly on his expertise and experience as an attorney-at-law. |
| Takashi Wachi | Assumed office in July 2008<br>Retired in September 2016 | Attended 9 Board of Directors meetings out of all 10 meetings held before his retirement<br>Attended 7 Audit and Supervisory Board meetings out of all 7 meetings held before his retirement | He had appropriately expressed his opinion based mainly on his extensive knowledge and experience as a corporate manager. |

| Name | Term of office | Attendance at the meetings of the Board of Directors | Remarks made at the meetings of the Board of Directors and other activities |
|---|---|---|---|
| Tsuneaki Taniguchi | Assumed office in June 2012<br>Retired in September 2016 | Attended 10 Board of Directors meetings out of all 10 meetings held before his retirement<br>Attended 7 Audit and Supervisory Board meetings out of all 7 meetings held before his retirement | He had appropriately expressed his opinion based mainly on the experience he has acquired through many years of research and proposal activities for the enhancement of productivity and management quality in various fields. |

**3. Remuneration for Outside Officers**

(millions of yen)

| | Number of persons | Remuneration, etc. from the insurance holding company | Remuneration, etc. from the parent company of the insurance holding company |
|---|---|---|---|
| Total remuneration | 10 persons | 102 (-) | - |

(Notes) 1. The above figures include one director and three Audit and Supervisory Board members retired from the former Dai-ichi Life on September 30, 2016.

2. The amount other than remuneration is shown in parentheses under “Remuneration, etc. from the insurance holding company.”

3. The upper limit on remuneration for each outside director as determined by the general meeting of shareholders at the former Dai-ichi Life before the shift to a holding company structure is as follows.

Director [Annual amount] 72 million yen

4. The upper limit on remuneration for each outside director (excluding directors serving as Audit & Supervisory Committee members) as determined by the general meeting of shareholders at Dai-ichi Life Holdings, Inc. after the shift to a holding company structure is as follows.

Director (excluding directors serving as Audit & Supervisory Committee members)
[Annual amount] 72 million yen

**4. Opinions from Outside Officers**

Not applicable

## 4 Status of Shares

### 1. Number of Shares

| | | |
|---|---|---|
| Number of shares authorized to be issued | Common stock | 4,000,000 thousand shares |
| | Class A Preferred Shares | 100,000 thousand shares |
| Number of issued shares | Common stock | 1,198,023 thousand shares |

(Note) The number of shares authorized to be issued by the Company is 4,000,000 thousand for common stock and class A preferred shares in total.

### 2. Number of Shareholders (as of the Current Fiscal Year-End)

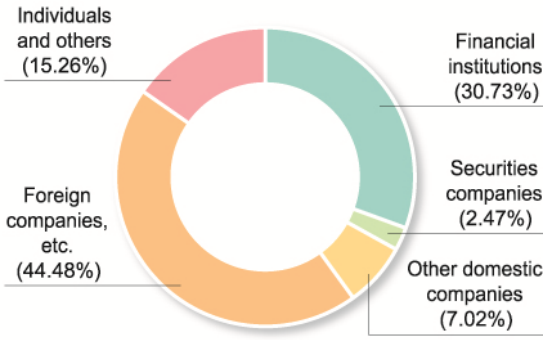
| | |
|---|---|
| Common stock | 804,651 persons |

### 3. Major Shareholders

| Name of shareholders | Ownership in the Company | |
|---|---|---|
| | Shares held (Common stock) | Percentage |
| | thousands of shares | % |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 67,102 | 5.68 |
| GOLDMAN SACHS INTERNATIONAL | 50,585 | 4.28 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 47,590 | 4.03 |
| Mizuho Bank, Ltd. | 45,000 | 3.81 |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) | 36,138 | 3.06 |
| Japan Trustee Services Bank, Ltd. (Trust Account 5) | 21,865 | 1.85 |
| Sompo Japan Nipponkoa Insurance Inc. | 20,000 | 1.69 |
| THE BANK OF NEW YORK MELLON SA/NV 10 | 19,163 | 1.62 |
| Japan Trustee Services Bank, Ltd. (Trust Account 1) | 16,263 | 1.37 |
| Japan Trustee Services Bank, Ltd. (Trust Account 2) | 16,020 | 1.35 |

(Note) The treasury stock held by the Company (18,539,500 shares) is excluded from the above table. In addition, percentage of ownership is calculated after deducting the number of treasury stock from the number of issued shares.

● Classification by Types of Shareholders



## 5 Independent Auditor

### 1. Independent Auditor

| Name | Remuneration for the current fiscal year | Other |
|---|---|---|
| Ernst & Young ShinNihon LLC<br><br>Masahiko Yamauchi, Designated Limited Liability Partner<br><br>Norio Hashiba, Designated Limited Liability Partner<br><br>Hiroshi Yamano, Designated Limited Liability Partner | ¥313 million | - Based on the "Practical Guidance for Cooperation with Accounting Auditors" published by the Japan Audit and Supervisory Board Members Association, the Audit and Supervisory Board of the former Dai-ichi Life Insurance Company has duly examined whether or not the contents of the Independent Auditor's auditing plans, the status of the performance of duties regarding accounting audits, the basis for calculating the estimated remuneration, etc. are appropriate, and has given its consent, to the amount of remuneration for the Independent Auditor as set forth in Article 399, Paragraph 1 of the Companies Act. In addition, the Audit & Supervisory Committee has confirmed the details of the consent given by the Audit and Supervisory Board of the former Dai-ichi Life Insurance Company.<br>- Services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-auditing services) include "advisory service relating to accounting standards," etc.<br>- On December 22, 2015, the audit corporation was subject to a punitive suspension of services with regard to the conclusion of new contracts for three months (from January 1, 2016 to March 31, 2016) and subject to an order for service improvement (for improvement of its service management structure) stemming from a false certification attributable to the negligence of the audit corporation's partners and to the significantly unjust management of the audit corporation. |

(Notes) 1. Given that the audit engagement agreement between the Company and the Independent Auditor does not clearly differentiate the amount of audit fees payable under the Companies Act from the amount of audit fees payable under the Financial Instruments and Exchange Act, remuneration for the current fiscal year is an aggregate of both amounts.

2. The total amount of monetary and other financial benefits payable to the Independent Auditor by the Company and its subsidiaries, etc. was 567 million yen.

3. The amount of remuneration paid to the Independent Auditor for fiscal 2016 was approved by the Audit and Supervisory Board of the former Dai-ichi Life on July 29, 2016 and the details of the said approval were confirmed by the Audit & Supervisory Committee on October 1, 2016.

### 2. Liability Limitation Agreement

Not applicable

### 3. Other Matters concerning Independent Auditor

(i) (Policy for Determining the Dismissal or Non-reappointment of the Independent Auditor) If any of the causes provided in the Items of Article 340, Paragraph 1 of the Companies Act shall occur and all Audit & Supervisory Committee members approve, the Audit & Supervisory Committee may dismiss the Independent Auditor. Further, if the Audit & Supervisory Committee has checked the eligibility of the Independent Auditor, the appropriateness of the auditing plans, and the status of the implementation of audits, etc. in accordance with the policy for determining the election or dismissal of Independent Auditor stipulated by the Audit & Supervisory Committee, and has accordingly deemed that it would be difficult for the Independent Auditor to perform its duties in a fair and appropriate manner, or has otherwise judged there to be appropriate reasons, the Audit & Supervisory Committee will resolve the content of a

proposal for the dismissal or non-reappointment of the Independent Auditor to be submitted to the general meeting of shareholders.

(ii) The following companies are audited by audit corporations other than the Independent Auditor of the Company: Protective Life Corporation (a significant subsidiary of the Company) and the subsidiaries, etc. affiliated therewith; TAL Dai-ichi Life Australia Pty Ltd and subsidiaries, etc. affiliated therewith; and Dai-ichi Life Insurance Company of Vietnam, Limited and subsidiaries, etc. affiliated therewith.

## 6 Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies

Not applicable

## 7 Specified Wholly Owned Subsidiaries

| Name | Location | Total book value of specified wholly owned subsidiaries at the Company and wholly owned subsidiaries, etc. | Total amount of assets on the non-consolidated balance sheet of the Company |
|---|---|---|---|
| The Dai-ichi Life Insurance Company, Limited | 13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo | ¥530,000 million | ¥1,679,530 million |

## 8 Transactions with the Parent Company

Not applicable

## 9 Accounting Advisor

Not applicable

## 10 Others

Not applicable

* The Company, which previously operated only one segment, newly established three business segments, namely, domestic life insurance business, overseas insurance business, and other businesses. The other businesses segment mainly consists of the asset management business.

## Consolidated Financial Statements

### 1 Consolidated Balance Sheet as of March 31, 2017

(Unit: million yen)

| (ASSETS) | | (LIABILITIES) | |
|---|---|---|---|
| **Cash and deposits** | **881,965** | **Policy reserves and others** | **44,694,128** |
| **Call loans** | **98,500** | Reserves for outstanding claims | 568,005 |
| **Monetary claims bought** | **198,294** | Policy reserves | 43,740,238 |
| **Money held in trust** | **333,111** | Reserve for policyholder dividends | 385,884 |
| **Securities** | **43,650,962** | **Reinsurance payable** | **208,621** |
| **Loans** | **3,566,603** | **Bonds payable** | **989,743** |
| **Tangible fixed assets** | **1,138,416** | **Other liabilities** | **1,852,035** |
| Land | 775,384 | **Net defined benefit liabilities** | **421,560** |
| Buildings | 351,393 | **Reserve for retirement benefits of directors, executive officers and corporate auditors** | **1,498** |
| Leased assets | 5,097 | | |
| Construction in progress | 691 | | |
| Other tangible fixed assets | 5,848 | **Reserve for possible reimbursement of prescribed claims** | **800** |
| **Intangible fixed assets** | **433,236** | | |
| Software | 71,933 | **Reserve for price fluctuations** | **174,677** |
| Goodwill | 57,938 | **Deferred tax liabilities** | **324,496** |
| Other intangible fixed assets | 303,364 | **Deferred tax liabilities for land revaluation** | **77,236** |
| **Reinsurance receivable** | **91,248** | | |
| **Other assets** | **1,492,098** | **Acceptances and guarantees** | **103,786** |
| **Deferred tax assets** | **150** | **Total liabilities** | **48,848,583** |
| **Customers' liabilities for acceptances and guarantees** | **103,786** | **(NET ASSETS)** | |
| | | **Capital stock** | **343,146** |
| **Reserve for possible loan losses** | **(2,079)** | **Capital surplus** | **329,740** |
| **Reserve for possible investment losses** | **(444)** | **Retained earnings** | **665,345** |
| | | **Treasury stock** | **(37,476)** |
| | | **Total shareholders' equity** | **1,300,756** |
| | | **Net unrealized gains (losses) on securities, net of tax** | **1,906,091** |
| | | **Deferred hedge gains (losses)** | **(25,243)** |
| | | **Reserve for land revaluation** | **(17,541)** |
| | | **Foreign currency translation adjustments** | **(8,178)** |
| | | **Accumulated remeasurements of defined benefit plans** | **(19,865)** |
| | | **Total accumulated other comprehensive income** | **1,835,262** |
| | | **Subscription rights to shares** | **1,247** |
| | | **Total net assets** | **3,137,266** |
| **Total assets** | **51,985,850** | **Total liabilities and net assets** | **51,985,850** |

## 2 Consolidated Statement of Earnings for the Fiscal Year Ended March 31, 2017

(Unit: million yen)

| | |
|---|---|
| **ORDINARY REVENUES** | **6,456,796** |
| **Premium and other income** | **4,468,736** |
| **Investment income** | **1,626,177** |
| Interest and dividends | 1,107,793 |
| Gains on investments in trading securities | 138,124 |
| Gains on sale of securities | 223,704 |
| Gains on redemption of securities | 39,373 |
| Other investment income | 1,461 |
| Gains on investments in separate accounts | 115,719 |
| **Other ordinary revenues** | **361,883** |
| **ORDINARY EXPENSES** | **6,031,476** |
| **Benefits and claims** | **3,618,385** |
| Claims | 1,219,541 |
| Annuities | 635,941 |
| Benefits | 445,932 |
| Surrender values | 686,261 |
| Other refunds | 630,708 |
| **Provision for policy reserves and others** | **1,016,744** |
| Provision for policy reserves | 1,008,360 |
| Provision for interest on policyholder dividends | 8,384 |
| **Investment expenses** | **342,102** |
| Interest expenses | 40,902 |
| Losses on money held in trust | 12,236 |
| Losses on sale of securities | 94,260 |
| Losses on valuation of securities | 27,172 |
| Losses on redemption of securities | 2,900 |
| Derivative transaction losses | 29,464 |
| Foreign exchange losses | 73,705 |
| Provision for reserve for possible loan losses | 329 |
| Provision for reserve for possible investment losses | 21 |
| Write-down of loans | 737 |
| Depreciation of real estate for rent and others | 13,784 |
| Other investment expenses | 46,587 |
| **Operating expenses** | **650,985** |
| **Other ordinary expenses** | **403,258** |
| **ORDINARY PROFIT** | **425,320** |
| **EXTRAORDINARY GAINS** | **17,495** |
| Gains on disposal of fixed assets | 4,984 |
| Gains on change in equity | 12,493 |
| Other extraordinary gains | 16 |
| **EXTRAORDINARY LOSSES** | **47,447** |
| Losses on disposal of fixed assets | 13,975 |
| Impairment losses on fixed assets | 13,742 |
| Provision for reserve for price fluctuations | 19,430 |
| Other extraordinary losses | 299 |
| **Provision for reserve for policyholder dividends** | **85,000** |
| **Income before income taxes** | **310,367** |
| **Corporate income taxes-current** | **68,151** |
| **Corporate income taxes-deferred** | **10,919** |
| **Total of corporate income taxes** | **79,071** |
| **Net income** | **231,295** |
| **Net income attributable to non-controlling interests** | **9** |
| **Net income attributable to shareholders of parent company** | **231,286** |

## Non-Consolidated Financial Statements

### 1 Non-Consolidated Balance Sheet as of March 31, 2017

(Unit: million yen)

| (ASSETS) | | (LIABILITIES) | |
|---|---|---|---|
| **Current assets** | **139,067** | **Current liabilities** | **4,422** |
| Cash and deposits | 119,525 | Accrued expenses | 1,771 |
| Prepaid expenses | 1,387 | Accounts payable | 2,066 |
| Deferred tax assets | 31 | Deposits received | 27 |
| Accrued revenue | 0 | Other | 558 |
| Consumption taxes receivable | 1,999 | **Non-current liabilities** | **450,214** |
| Income taxes receivable | 15,934 | Long-term debt and other borrowings | 450,000 |
| Other | 188 | Other | 214 |
| **Non-current assets** | **1,540,295** | **Total liabilities** | **454,637** |
| **Tangible fixed assets** | **7** | (NET ASSETS) | |
| Tools, furniture and fixtures | 7 | **Shareholders' equity** | **1,223,646** |
| **Intangible fixed assets** | **2** | **Capital stock** | **343,146** |
| Trademark right | 2 | **Capital surplus** | **343,408** |
| **Investments and other assets** | **1,540,286** | Legal capital surplus | 343,146 |
| Shares of subsidiaries and affiliates | 1,527,712 | Other capital surplus | 261 |
| Investments in capital of subsidiaries and affiliates | 11,894 | **Retained earnings** | **574,568** |
| | | Legal retained earnings | 5,600 |
| Other | 679 | Other retained earnings | 568,968 |
| **Deferred assets** | **167** | Fund for price fluctuation allowance | 65,000 |
| Stock delivery expenses | 167 | Retained earnings brought forward | 503,968 |
| | | **Treasury stock** | **(37,476)** |
| | | **Subscription rights to shares** | **1,247** |
| | | **Total net assets** | **1,224,893** |
| **Total assets** | **1,679,530** | **Total liabilities and net assets** | **1,679,530** |

## 2 Non-Consolidated Statement of Earnings for the Fiscal Year Ended March 31, 2017

(Unit: million yen)

| | |
|---|---|
| **SALES REVENUES** | **21,826** |
| Dividends from subsidiaries and affiliates | 17,295 |
| Commissions from subsidiaries and affiliates | 4,530 |
| Other | 0 |
| **SALES EXPENSES** | **4,438** |
| Selling, general and administrative expenses | 4,438 |
| **OPERATING PROFIT** | **17,387** |
| **ORDINARY REVENUES** | **2,027,716** |
| **Premium and other income** | **1,314,251** |
| Premium income | 1,313,883 |
| Reinsurance income | 368 |
| **Investment income** | **526,259** |
| Interest and dividends | 376,863 |
| Interest from bank deposits | 4,136 |
| Interest and dividends from securities | 303,280 |
| Interest from loans | 28,820 |
| Rental income | 35,019 |
| Other interest and dividends | 5,606 |
| Gains on money held in trust | 189 |
| Gains on sale of securities | 89,635 |
| Gains on redemption of securities | 20,812 |
| Derivative transaction gains | 38,100 |
| Reversal of reserve for possible loan losses | 101 |
| Other investment income | 557 |
| **Other ordinary revenues** | **187,205** |
| Fund receipt for annuity rider of group insurance | 342 |
| Fund receipt for claim deposit payment | 132,998 |
| Reversal of reserve for outstanding claims | 38,420 |
| Other ordinary revenues | 15,443 |
| **ORDINARY EXPENSES** | **1,845,074** |
| **Benefits and claims** | **1,145,348** |
| Claims | 388,408 |
| Annuities | 243,434 |
| Benefits | 185,713 |
| Surrender values | 260,564 |
| Other refunds | 66,437 |
| Ceding reinsurance commissions | 790 |
| **Provision for policy reserves and others** | **161,360** |
| Provision for policy reserves | 157,131 |
| Provision for interest on policyholder dividends | 4,228 |
| **Investment expenses** | **130,443** |
| Interest expenses | 6,157 |
| Losses on sale of securities | 31,302 |
| Losses on valuation of securities | 9,506 |
| Losses on redemption of securities | 1,752 |
| Foreign exchange losses | 43,586 |
| Provision for reserve for possible investment losses | 10 |
| Write-down of loans | 20 |
| Depreciation of real estate for rent and others | 6,976 |
| Other investment expenses | 21,323 |
| Losses on investments in separate accounts | 9,805 |
| **Operating expenses** | **208,884** |
| **Other ordinary expenses** | **199,038** |
| Claim deposit payments | 158,558 |
| National and local taxes | 14,494 |
| Depreciation | 15,741 |
| Provision for reserve for employees' retirement benefits | 4,537 |
| Other ordinary expenses | 5,706 |
| **NON-OPERATING REVENUES** | **51** |
| Interest income | 2 |
| Other | 48 |
| **NON-OPERATING EXPENSES** | **1,140** |
| Interest expenses | 842 |
| Other | 298 |
| **ORDINARY PROFIT** | **198,940** |

| | |
|---|---|
| **EXTRAORDINARY GAINS** | **4,467** |
| Gains on disposal of fixed assets | 4,467 |
| **EXTRAORDINARY LOSSES** | **24,329** |
| Losses on disposal of fixed assets | 5,025 |
| Impairment losses on fixed assets | 11,303 |
| Provision for reserve for price fluctuations | 8,000 |
| **Provision for reserve for policyholder dividends** | **45,000** |
| **Income before income taxes** | **134,078** |
| **Corporate income taxes-current** | **30,954** |
| **Corporate income taxes-deferred** | **1,213** |
| **Total of corporate income taxes** | **32,167** |
| **Net income for the year** | **101,910** |

[Translation]

# Audit Reports

## 1 Copy of Report of Independent Auditor Concerning Consolidated Financial Statements

### Independent Auditor's Report

May 12, 2017

The Board of Directors
Dai-ichi Life Holdings, Inc.

Ernst & Young ShinNihon LLC

Masahiko Yamauchi
Certified Public Accountant
Designated and Engagement Partner

Norio Hashiba
Certified Public Accountant
Designated and Engagement Partner

Hiroshi Yamano
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Dai-ichi Life Holdings, Inc. (the "Company", formerly The Dai-ichi Life Insurance Company, Limited) applicable to the fiscal year from April 1, 2016 through March 31, 2017.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Dai-ichi Life Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2017 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

[Translation]

## 2 Copy of Report of Independent Auditor

### Independent Auditor's Report

May 12, 2017

The Board of Directors
Dai-ichi Life Holdings, Inc.

Ernst & Young ShinNihon LLC

Masahiko Yamauchi
Certified Public Accountant
Designated and Engagement Partner

Norio Hashiba
Certified Public Accountant
Designated and Engagement Partner

Hiroshi Yamano
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Dai-ichi Life Holdings, Inc. (the "Company" , formerly The Dai-ichi Life Insurance Company, Limited) applicable to the fiscal year from April 1, 2016 through March 31, 2017.

*Management's Responsibility for the Financial Statements and the Related Supplementary Schedules*

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Dai-ichi Life Holdings, Inc. applicable to the fiscal year ended March 31, 2017 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

[Translation]

## 3 Audit Report of Audit & Supervisory Committee

### Audit Report

The Audit & Supervisory Committee has audited the directors' performance of their duties during the fiscal year 2016 (from April 1, 2016 to March 31, 2017), and hereby reports the methods and results thereof as follows.

1. Methods and Contents of Audit

(1) The Audit & Supervisory Committee periodically received reports from directors, employees, etc., requested explanations as necessary, and expressed opinions on the establishment and the status of operation with respect to (i) the contents of the Board of Directors' resolutions regarding matters set forth in Article 399-13, paragraph 1, items 1 (b) and 1 (c) of the Companies Act, and (ii) the systems (internal control systems) based on such resolutions. With respect to internal control over financial reporting under the Financial Instruments and Exchange Act, the Audit & Supervisory Committee received reports on the evaluation of the relevant internal control and the status of audits from the directors, etc. and Ernst & Young ShinNihon LLC, and requested explanations as necessary.

(2) In conformity with the audit policies and allocation of audit duties, etc. established by the Audit & Supervisory Committee and in cooperation with the internal audit and internal control departments, Audit & Supervisory Committee members attended important meetings, received reports on the status of performance of duties from the directors and other employees, requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and major subsidiaries. Also, with respect to the subsidiaries, the Audit & Supervisory Committee endeavored to facilitate mutual communication and to exchange information with the directors and Audit and Supervisory Board members, etc. of each subsidiary and received reports from these subsidiaries on their respective business as necessary.

(3) The Audit & Supervisory Committee monitored and verified whether the independent auditor maintained its independence and properly conducted its audit, received a report from the independent auditor on the status of its performance of duties, and requested explanations as necessary. Also, the Audit & Supervisory Committee was notified by the independent auditor that it had established a "system to ensure that the performance of the duties of the independent auditor was properly conducted" (the matters listed in the items of Article 131 of the Rules of Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), and requested explanations as necessary.

Based on the above-described methods, the Audit & Supervisory Committee examined the Business Report and the Related Supplementary Schedules, the Non-Consolidated Financial Statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Earnings, Non-Consolidated Statement of Changes in Net Assets, and Notes to the Non-Consolidated Financial Statements) and the Related Supplementary Schedules as well as the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Earnings, Consolidated Statement of Changes in Net Assets, and Notes to the Consolidated Financial Statements) for the business year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

(i) We acknowledge that the Business Report and the Related Supplementary Schedules fairly represent the status of the Company in conformity with applicable laws and

regulations and the articles of incorporation of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the Company was found with respect to the directors' performance of their duties.

(iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control system are appropriate. We did not find any matter to be mentioned with regard to the description of the Business Report and the directors' performance of their duties concerning internal control, as well as internal control regarding financial reporting.

(2) Results of Audit of Non-Consolidated Financial Statements and the Related Supplementary Schedules

We acknowledge that the methods and results of audit performed by the independent auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the independent auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 15, 2017

Audit & Supervisory Committee, Dai-ichi Life Holdings, Inc.

| | |
|---|---|
| Audit & Supervisory Committee member (Full-time) | Morinobu Nagahama |
| Audit & Supervisory Committee member (Full-time) | Fusakazu Kondo |
| Audit & Supervisory Committee member | Rieko Sato |
| Audit & Supervisory Committee member | Ungyong Shu |
| Audit & Supervisory Committee member | Koichi Masuda |

Notes:

1. Audit & Supervisory Committee members, Rieko Sato, Ungyong Shu and Koichi Masuda are Outside Directors set forth in Article 2, Item 15 and Article 331, paragraph 6 of the Companies Act.
2. Pursuant to a resolution of the Annual General Meeting of Shareholders for the 6th Fiscal Year held on June 24, 2016, the Company shifted to a Company with Audit & Supervisory Committee from a Company with Audit and Supervisory Board effective October 1, 2016. At the same time, the Company changed its corporate name to Dai-ichi Life Holdings, Inc. from The Dai-ichi Life Insurance Company, Limited. The business status and conditions from April 1, 2016 to September 30, 2016 are based on the contents succeeded from the former Audit and Supervisory Board of The Dai-ichi Life Insurance Company, Limited.

## Reference

### Stock-related Administrative Information

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|---|---|
| **Fiscal Year-End** | March 31 |
| **Annual General Meeting of Shareholders** | Late June every year |
| **Record Date** | Annual General Meeting of Shareholders: March 31 every year<br>Shareholder Dividends: March 31 every year<br>The Company may, upon giving prior public notice, set a record date other than the above, if necessary. |
| **Method of Public Notices** | Public notices of the Company shall be given by electronic means (URL: http://www.dai-ichi-life-hd.com/); provided, however, that in the event that electronic public notices cannot be provided due to an accident or other unavoidable circumstances, public notices shall appear in *The Nikkei*. |
| **Share Unit** | 100 shares |
| **Stock Exchange Listings** | Tokyo Stock Exchange (First Section) |
| **Shareholder Registry Administrator and Account Administrative Institution for Special Accounts** | Mizuho Trust & Banking Co., Ltd.<br>2-1, Yaesu 1-chome, Chuo-ku, Tokyo, Japan |
| **Contact (Phone Number and Mailing Address)** | Mizuho Trust & Banking Co., Ltd.<br>Stock Transfer Agency Department:<br>8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-8507 Japan<br><br>(Toll Free only from Japan: 0120-282-324)<br>9:00 a.m. to 5:00 p.m. Japan time<br>(excluding Saturdays, Sundays, national holidays and the year-end and New Year holidays) |

### Contact for Various Procedures regarding Stock

| | For shareholders who have an account at a securities company | For shareholders who have a special account |
|---|---|---|
| Various Procedures (Change of Address, Change of Method for Receiving Shareholder Dividends, etc.) | Your securities company | Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. (Toll Free number above) |
| Receipt of Unclaimed Dividends | Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. (Toll Free number above) | |

Notes: