



2016

By your side, for life

Dai-ichi Life Annual Report

(Integrated version with Dai-ichi Life DSR Report)

By your side, for life

DAI-ICHI LIFE

Integrated Report

To be able to stand “By your side, for life.”

Adopting “Customer First” as its management philosophy since its founding in 1902, Dai-ichi Life has been striving to contribute to customers’ comfortable lives with peace of mind and to the development of local communities, always with the “present” and “future” of each and every customer in mind.

Society has changed markedly. Customer lifestyles and values have also diversified.

Dai-ichi Life wishes to keep standing “By your side, for life.”

Medium- To Long-Term Vision
Peace of mind. In communities and around the world.

Group Mission
By your side, for life

■ Overview of Dai-ichi Life (as of the end of March 2016)

Official name	The Dai-ichi Life Insurance Company, Limited *Structure changed from a mutual company to a stock company on April 1, 2010.	Number of employees	54,617 (In-house employees: 11,634; sales representatives: 42,983)	Status of revenues and expenditures	Premium and other income	¥2,866.6 billion (April 2015–March 2016)	
Established	September 15, 1902	Number of business bases	84 branch offices and 1,259 unit offices, etc. (as of April 1, 2016)		Benefits and claims	¥2,681.3 billion (April 2015–March 2016)	
Head Office address	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan Tel: 81-3-3216-1211	Status of assets	Total assets	¥35,894.9 billion	Policy Amount In-force	Individual insurance	¥114,816.0 billion
President and Representative Director	Koichiro Watanabe	Status of liabilities	Policy reserves and others	¥30,635.2 billion		Individual annuity insurance	¥9,905.6 billion
		Status of net assets	Capital stock and legal capital surplus	¥686.2 billion		Group insurance	¥48,020.2 billion
						Group annuities	¥6,064.2 billion




Basic Management Policies

• Maximize customer satisfaction • Secure social trust • Create sustainable corporate value • Foster employee potential

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• Positioning of this Report

Financial Information	Non-Financial Information
<div> Dai-ichi Life Annual Report (Integrated Version with Dai-ichi Life DSR Report)</div>	
<div> Investor Relations Website</div>	<div> DSR Report (Website) Website</div>

• Editorial Policy

The Dai-ichi Life Group publishes the "Dai-ichi Life Annual Report (integrated with Dai-ichi Life DSR Report)," which compiles information on "the status of the business and property" as stipulated in Article 111 of the Insurance Business Act and information on efforts of Dai-ichi Life to fulfill its social responsibilities in a simple booklet, by reference to the International Integrated Reporting Council (IIRC) framework. We would be delighted if this report helped our stakeholders better understand the Dai-ichi Life Group, including its management challenges and strategies for future growth, as well as its efforts. Information supplementing this content is published on Dai-ichi Life's website (<http://www.dai-ichi-life.co.jp/english/index.htm>). We invite our stakeholders to read the site in conjunction with this report. This Annual Report (English version) is a translation of the Japanese version.

Coverage of this report

- Period covered: April 1, 2015 to March 31, 2016 (including some activities on and after April 1, 2016)
- Organizations covered: The Dai-ichi Life Insurance Company, Limited and its subsidiaries and affiliates
- Date of Issue: Published in September every year.

**Domestic
Life Insurance
Business**

**Overseas
Life Insurance
Business**

**Asset
Management
Business**

**Other
businesses**

The Dai-ichi Life Group

Business Domains and Major Companies of the Dai-ichi Life Group

● Domestic Life Insurance Business

In the domestic life insurance business, the Dai-ichi Life Group's core business, we operate a domestic three life insurance company structure. This is to remain in step with the diverse needs of our customers by providing the optimum products through the most suitable channel.

By your side, for life

DAI-ICHI LIFE



第一フロンティア生命
Dai-ichi Frontier Life

ネオファースト生命

The Neo First Life Insurance Company, Limited

● Overseas Life Insurance Business

We are developing the overseas life insurance business in six countries: the United States, Australia, Vietnam, Indonesia, India and Thailand.

Protective

TAL
A DAI-ICHI LIFE Group Company

DAI-ICHI LIFE
Lifetime Partner

PaninDai-ichiLife
By your side, for life

Star Union Dai-ichi
Life Insurance



● Asset Management Business

As a business that plays a part in the Group's growth strategies, we operate the asset management business with growth potential and high affinity with the life insurance business in Japan and overseas.

dIAM
ダイヤモンド



JANUS CAPITAL
Group

● Other businesses

Dai-ichi Life also operates businesses necessary to engage in the insurance business and the asset management business, such as system-related business, research studies and general affairs-related business.

DLS



株式会社 第一生命経済研究所

Key figures of The Dai-ichi Life Group



History of Dai-ichi Life

114 years

Dai-ichi Life began operating in 1902 as Japan's first mutual company. Even now, more than a century later, and after Dai-ichi Life has become a stock company, we still maintain the same management philosophy of Customer First we adopted at the time of our founding.

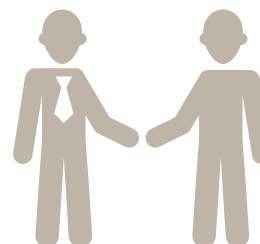
Number of employees in the Group

Approximately

67,000

in 10 countries around the world

Diverse human capital of about 60,000 people in Japan and 10,000 people overseas play an active role.



Number of customers

Approximately

11 million

Widely supported by customers, the Group continues to provide products and services from a customer-based perspective, standing "By your side, for life."

(Note) Includes Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life

Number of new individual insurance policies sold

Approximately

4,000

policies per day

We provide products that meet diversified customer needs by delivering the optimum products through an optimum channel.

(Note) Includes Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life



Insurance claims and benefits paid

Approximately

¥5.0

billion per day

We make accurate and equitable payments, based on our shared value that the role of insurance is fulfilled at the very moment customers receive claims and benefits

(Note) Includes Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life



Consolidated net assets

Approximately

¥50 trillion

We invest valuable premiums received from our customers in preparation for the future payment of claims, etc. As one of the largest institutional investors in Japan, we also perform a financial intermediary function, while pursuing safety and profitability at the same time.

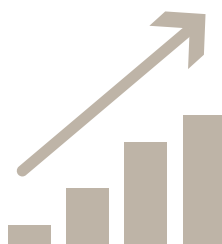
Consolidated net income

Approximately

¥170.0

billion

Consolidated net income reached a new record high since the listing for the fifth consecutive year. Dai-ichi Frontier Life moving into the surplus and the profits of Protective Life being consolidated in the fiscal year under review, made a significant contribution.



History of Innovation by the Dai-ichi Life Group

Unchanged since its founding. The spirit of “Customer First.”

Through its history of more than 110 years, Dai-ichi Life has faced a great number of changes in both the times and society.

To practice our management philosophy “Customer First,” which we have emphasized through all of the stages of our long history, we have been working to “change what needs to be changed” in response to changes, in addition to maintaining our tradition.

Dai-ichi Life Group will continue to pursue innovation, aiming to always be the best.

Founding

Dai-ichi Life, Japan's first mutual company, was established by the founder Tsuneta Yano who had a passion to create a customer-oriented life insurance company.

1902

Establishment of Public Health Award

In the immediate postwar period when the hygienic environment in Japan deteriorated, then President Ichiro Yano established the Public Health Award as an award to give thanks and respect to those who worked to improve health and hygiene. Continuing to commend health-related activities for a wide range of current issues, the Public Health Award will be its 68th time in 2016.



1950

Passion of the founder Tsuneta Yano
The Best Rather
Than the Largest

Launch of Total Life Plan

In 1997, the amount of policies in force turned down for the first time since the Company's founding. The Company launched the concept of a Total Life Plan to comprehensively cover risks in customers' lives according to changes in their life stage. This initiative has now evolved into “By your side, for life — With You Project.”

1997



Founder Tsuneta Yano

New Foundation

Change of the Organizational Structure to a Stock Company/ Listing on the Tokyo Stock Exchange

The Company changed its organizational structure to a stock company to consistently promote its management philosophy of Customer First and execute growth strategies globally by expanding management options. The Company, which listed its stocks on the Tokyo Stock Exchange in April 2010, regards this day as its New Foundation and has entered a new stage of innovative changes.



Second stage of New Foundation

Transition to a holding company structure

The Group will shift to a holding company structure in October 2016, aiming to enable a more flexible allocation of management resources and faster decision-making. It aims to continue to achieve sustainable growth by creating more synergy within the Group*. The Group recognizes this shift as a next challenge to achieve innovative change following its New Foundation through demutualization in 2010, which will take the Group into the second stage of New Foundation.

* The shift to a holding company structure will be rightfully executed on the condition of receiving permits and approvals from the authorities.



The Dai-ichi Life Group

1998

Beginning of business alliances within the financial industry

Dai-ichi Life formed a business alliance with The Industrial Bank of Japan (currently Mizuho Financial Group) in 1998 amid progress in the financial deregulation. Since then, the Company has been moving forward with alliances with various companies, aiming to provide a wide variety of products and to strengthen its competitiveness. In 2016, it entered into a comprehensive business tie-up with Japan Post Insurance Co., Ltd. as a new partner. (See page 42 for details of our alliance partners)



2007

Beginning of overseas life insurance business

Dai-ichi Life advanced into Vietnam in 2007 and, with this as a start, began to develop its business in the Asia-Pacific region, including Thailand, Australia, India and Indonesia. In 2015, the Company entered the North American region, the world's largest insurance market, with the acquisition of Protective Life in the United States. Based on the Global Trilateral Structure, which connects these two regions with Japan, the overseas life insurance business aims to drive the growth of the Group, tapping into the high growth potential of the overseas life insurance market.



2014

Establishing the three domestic life insurance company structure

By establishing Dai-ichi Frontier Life in 2006 and making Neo First Life Insurance a subsidiary in 2014, the Company built a structure based on three life insurance companies in the domestic life insurance business. The Company strengthened its structure so that it could respond to diversified customer needs more accurately by delivering the optimum products through the optimum channel.

By your side, for life

DAI-ICHI LIFE



第一フロンティア生命
Dai-ichi Frontier Life

ネオファースト生命
The Neo First Life Insurance Company, Limited

2016

Winner of Japan Quality Award

The Company established the concept of a Total Life Plan in 1997 and, since then, has been focusing on developing human capital with advanced consulting abilities, the launch of new products, and follow-up with existing policyholders based on its management philosophy of Customer First. Winning approval for these endeavors, the Company received the Japan Quality Award for the first time in the history of the financial and insurance industries.



Principles of the Dai-ichi Life Group

The Group companies 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.



Mission

Since our foundation in 1902, the Dai-ichi Life Group has always put our customers first. This philosophy continues to guide us as we move forward. We contribute to local communities by passing on peace of mind through the provision of life insurance and related services. As part of the Dai-ichi Life Group, all our companies will continue to stand by the side of our customers and their loved ones, for life.

Vision

We will aim to become a company that thinks of people first, more than anyone else, from the following four perspectives, aspiring to become the most highly regarded life insurance company by customers.

First in Quality

First in Productivity

First in Vital and Energetic
Employees

First in Growth Potential

Values

The Dai-ichi Life Group will help build a sustainable society by adopting its corporate action principles “DSR Charter” so it can continue to meet the expectations of customers, society, shareholders, investors, and employees.

“DSR” stands for Dai-ichi’s Social Responsibility, “a unique framework for using the PDCA cycle company-wide to continually improve management quality and satisfy our social responsibilities to all stakeholders, while at the same time increasing the corporate value of the Dai-ichi Life Group.

Customer satisfaction	We provide high-quality products and services with the intention of standing by the side of our customers for life. Everything we do is designed to exceed our customer’s needs and deliver customer satisfaction.
Communication	We hold ourselves accountable to our stakeholders and sincerely accept their opinions, reflecting them in our corporate management.
Compliance	We set the bar high for ethical standards and maintain full compliance in all our business activities. We respect privacy and fully enforce the protection and management of personal information.
Respect to human rights	We respect the culture and customs of every country and region, always operating in a way that contributes to local development. We also respect human rights and proactively operate in a way that reflects this.
Diversity	We actively cultivate human capital by ensuring a rewarding work environment in which diversified human capital can play an active role.
Environmental protection	We actively engage in environmental protection on a daily basis, recognizing that preserving the global environment is our social responsibility.
Social contribution	We head social action programs, growing together with communities as an active corporate citizen.
Promoting health	We manage the Company to help improve the health of the people in our local communities. We also promote the mental and physical health of our employees.
Create sustainable corporate value	Based on the eight principles above, we are working to create sustainable corporate value by effectively using our management resources, improving the productivity of our business, and maintaining and strengthening our financial base.



Framework for value creation management unique to the Dai-ichi Life Group ~ DSR Management ~

In 1998, we began “business quality improvement activities” to improve the quality of all operations from the customer’s perspective. In 2001, we received the Japan Quality Award, a first for a financial institution.

Also after receiving the award, we have continued our work on improving our management quality even when senior management is changed, advancing our strategy for “CSR Management.” Subsequently, we took another step forward at the time of our listing, adopting “DSR Management,” which enables us to better reflect Dai-ichi Life-ness in our activities.

As a result of continuing these activities, Dai-ichi Life has now become an organization in which each employee is able to make relentless efforts with originality and ingenuity every day, with the aim of providing customers with the best products and services that are best for them.

We also make progress in solving problems efficiently by sharing and using successful examples of DSR Management. This has helped the recent acceleration in the growth of the Group.

We will continue to realize sustainable value creation while evolving DSR Management ceaselessly.

Transition of business quality improvement activities



Each employee supports DSR Management.



Sharing and commemorating successful examples of DSR Management (DSR Convention)



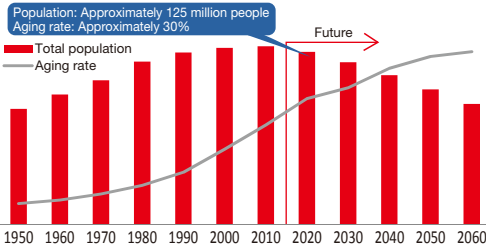
— DSR Management —

Value provided to stakeholders by the Dai-ichi Life Group

Notable changes in the social environment

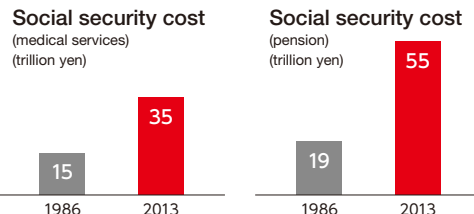
Demographic changes^{*1}

- Decline in the total population of Japan and the aging of the population and declining birth rate
- More diversified lifestyles, such as a rising number of unmarried persons, late marriages, and single-person and double-income households



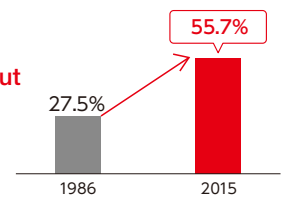
Concerns about social security cost^{*2}

- Increasing anxiety about medical and nursing-care services associated with longevity
- Increasing concerns about asset building under the low interest rate environment

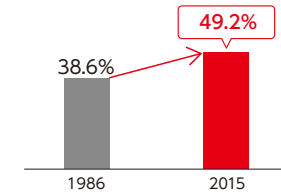


Emerging needs

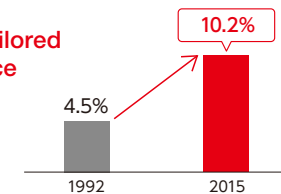
Needs for eliminating anxiety about life after retirement^{*5}



Needs for a healthy life^{*5}

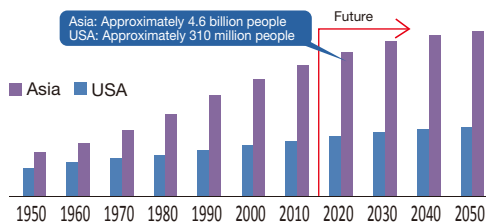


Needs for selecting tailored life insurance (needs for a comparative review)^{*6}



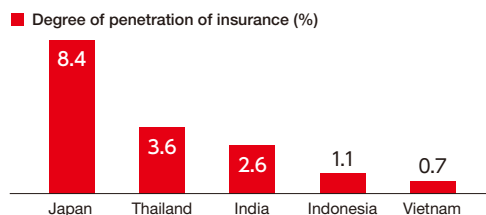
Demographic changes^{*3}

- Population growth in the USA, Asia and Oceania



Low dissemination rate of insurance

- Low degree of penetration of insurance in Asian countries^{*4}



Needs for life insurance expanding in the USA, Asia and Oceania

- Overall premium and other income of insurance companies in the USA, Asia and Oceania^{*4}



^{*1} Population Census and Population Estimates (Ministry of Internal Affairs and Communications), Population Projections for Japan (January 2012), Medium-fertility (medium-mortality) projection (as of October 1 of each year) (National Institute of Population and Social Security Research), and Vital Statistics of Japan (Ministry of Health, Labour and Welfare)

^{*2} Japanese Social Security Statistics (Ministry of Health, Labour and Welfare)

^{*3} Results of Population Census and Population Estimates (Bureau of Statistics of the Ministry of Internal Affairs and Communications) and Population Projections for Japan (National Institute of Population and Social Security Research)

^{*4} Report of Swiss Re Degree of penetration of insurance: Share of GDP accounted for by premium income of all life insurance companies in Japan

^{*5} Percentage of respondents (66.7%) who have trouble or feel anxiety about daily living in the public opinion poll on people's lives (Cabinet Office)

^{*6} Comparison of the oldest and the latest surveys of the National Survey of Actual Conditions on Life Insurance (Life Insurance Culture Center) Percentage of people who answered "Counter and sales representative of insurance agents" in the result of a survey on channels in which respondents intended to participate

The social environment is experiencing extensive change Japan and overseas, reflecting concerns about the sustainability of the social security system associated with demographic changes in Japan and rising populations in the United States, Asia and Oceania.

Facing these changes in the social environment squarely, we are striving to deliver peace of mind and comfort to daily life through our core business.

To continue to stand “By your side, for life,” the Dai-ichi Life Group will provide all stakeholders with value by promoting DSR Management.

Value provided by the Dai-ichi Life Group

Provision of peace of mind in everyday life through life insurance.

- Establishment of an organizational structure that will enable customers to use life insurance promptly and reliably Pages 53 through 57
- Various initiatives including watching over the elderly in cooperation with local governments Page 67
- Provision of highly competitive products and consulting services to meet needs for asset building Pages 36 through 41

Support for health promotion through life insurance

- Provision of products and comprehensive health support using cutting-edge technology and initiatives to encourage better health in cooperation with local governments Pages 26 and 27, Pages 58 and 59, Page 67

Provision of life insurance tailored to diversified lifestyles

- Flexible provision of products to meet diversified needs based on the three domestic life insurance company structure Pages 22 through 25

Provision of higher-quality life insurance and services

- Provision of high-quality products and services as a Group, with the Group companies in other countries learning from each other and sharing know-how Pages 28 through 35

Promotion of life insurance

- Initiatives for promoting life insurance, mainly in Southeast Asia Pages 30 and 31, Pages 42 and 43

Creating an environment in which human capital that support value provision are able to play an active role


- Initiatives for diversity and inclusion Pages 46 through 50
- Initiatives for cultivating employees in the Group Pages 75 through 78

Expansion of consolidated net income and the enhancement of financial strength and shareholder returns

- Initiatives to enhance communication with shareholders and investors Pages 63 through 65

Sustainable enhancement of corporate value

Message from the President

A photograph of Koichiro Watanabe, President and Representative Director, standing in a formal room with wood-paneled walls and a framed picture. He is wearing a dark suit, a white shirt, and a red patterned tie. The text is overlaid on the left side of the image.

We will achieve sustainable growth by making more innovative changes, while maintaining the spirit we adopted at the time of founding.

July 2016
President and Representative Director

Koichiro Watanabe

Meaning of continuing to stand “By your side, for life”

Continuing to stand “By your side, for life.” It means that we will continue to change ceaselessly, with the aim of becoming the best for customers and society. Looking back on our history of more than a century, we have continued to grow, while creating value, by walking the best path, always thinking of customers first.

Even now, our management philosophy of aspiring for the best remains deeply instilled in each employee and extends to every detail of our business. The collaboration and cooperation with local governments that the Dai-ichi Life Group provides in many parts of the country (page 67) are one of these examples. This is an initiative for the Group and local governments to strive to solve the problems facing many regions. It began with an approach by an employee on site to her colleague, deeply concerned about the fact that a certain prefecture had the worst mortality rate in Japan in a certain type of cancer and wondering if it would be possible for those employees like her who are connected with the local community to do something for this problem. Before long, her endeavor developed into an educational activity encouraging medical checkups to discover cancer early, through an agreement concluded with a local government. This activity helped foster a sense of commitment among employees on site and brought a virtuous circle to their daily sales activities. This has been spreading all over the country as a successful example of business evolving in step with the issues confronting each region.

As this example shows, this approach of being a company in which each employee creates value for customers and society through the core business is unique to the Dai-ichi Life Group. It goes beyond the boundaries of general CSR, and so we express it as DSR, or Dai-ichi’s Social Responsibility, by adopting D, the initial letter of the Group.

Today, we need to respond to sweeping changes more rapidly than ever before, since we are doing business in the modern age when the environment is evolving with unprecedented speed. We will continue to make innovative changes endlessly by polishing our own strengths through the practice of DSR Management.

“D-Ambitious,” the medium-term management plan the Group is proceeding with

To further evolve DSR Management and achieve growth that lives up to the expectations of stakeholders through bold business development with a sense of speed, the Group is working on the medium-term management plan covering the period fiscal 2015 to fiscal 2017. This plan is called “D-Ambitious, Our values, Our future.” Under this medium-term management plan, we have positioned the domestic life insurance business, the overseas life insurance business and the asset management business as three growth engines. We are working on these businesses for further growth and breakthroughs by developing strengths in each business domain.

In the domestic life insurance business, we have started the structure of three domestic life insurance companies, namely Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life, to meet diverse customer needs with carefully tailored products and services through the optimum channel. In the overseas life insurance business, we are promoting well-balanced business development in the emerging markets that are expected to show high growth and the developed markets that are likely to contribute to stable profits, aiming to steadily expand their contribution to the profits of the Group as a whole.

In the asset management business, we will also contribute to the sustainable growth of consolidated profits through the sophistication of asset management and the strengthening of the earnings power of the asset management business that is compatible with our life insurance business.

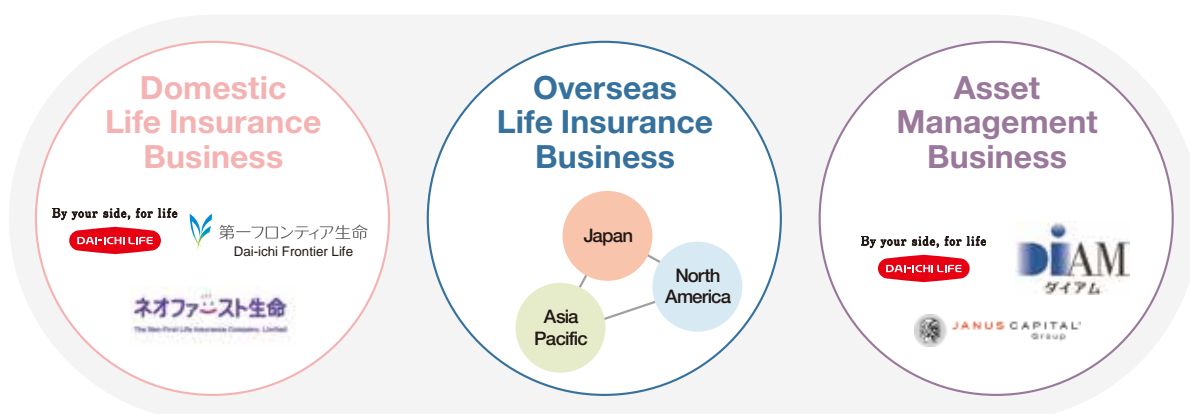
And to respond to the expansion and diversification of our businesses on a global scale and further accelerate their growth, we will shift to a holding company structure in October 2016. Under the holding company structure, we will strengthen our governance system while optimizing the growth strategies of the Group.

In addition, based on the concept that the main drivers in generate corporate growth and values for stakeholders are human capital, we will continue to create an environment conducive to diverse human capital taking on an active role, while proactively cultivating people who can support our global business development.

Basic Strategy “Four Ds”

Dynamism 1. Growth Strategy

We will realize sustainable and solid growth with three growth engines (the domestic life insurance business, the overseas life insurance business and the asset management business).



Discipline

2. Promotion of ERM^{*1}

Dimension

3. Group Management

Diversity

4. Human Capital Development

^{*1} ERM (Enterprise Risk Management) is an effort to increase capital efficiency and corporate value by formulating strategies according to profits, capital and risks, taking into account the types and characteristics of the risks.



Review of fiscal 2015

Achieved income growth for the fifth consecutive year by overcoming some major headwinds.

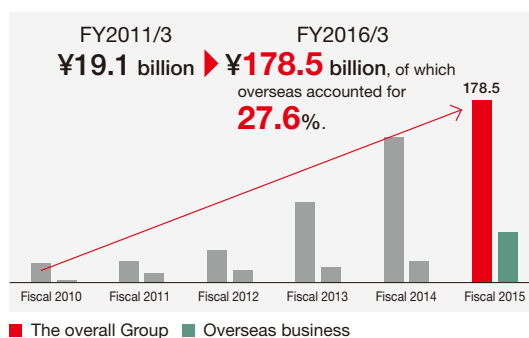
In the fiscal year ended March 31, 2016, net income attributable to shareholders of parent company reached a record high since our listing for the fifth consecutive year. This was a result of the strong performance of businesses in Japan and overseas, with the three growth engines, which we promote in our medium-term management plan, giving full play to their ability in fiscal 2015. Profits of Protective Life in the United States, which was consolidated in the fiscal year under review, also made a significant contribution. We were also able to increase shareholder returns.

Looking back on the six years since the demutualization and the listing in 2010, although there were times when the economic environment was favorable, the road was never smooth. We passed through challenging times such as the European debt crisis and the Great East Japan Earthquake.

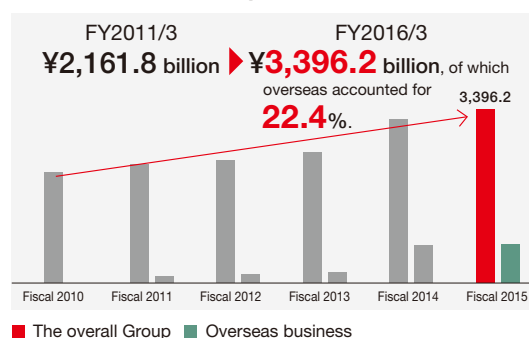
In this environment, we have been working on innovative changes to enhance corporate value, for instance by investing in growth in Japan and overseas with extraordinary speed, ahead of other companies. As a result, the Group is developing advantages that are less susceptible to the prevailing economic environment in Japan, with business diversification, regional diversification and the sophistication of asset management all making progress. This is very much the result of our concerted efforts for value creation by Group companies in Japan and overseas, in which we united to practice DSR Management to make innovative changes across the board.

As a result of these efforts, we continue to follow the same growth path, overcoming the headwinds we faced immediately after our demutualization and the listing.

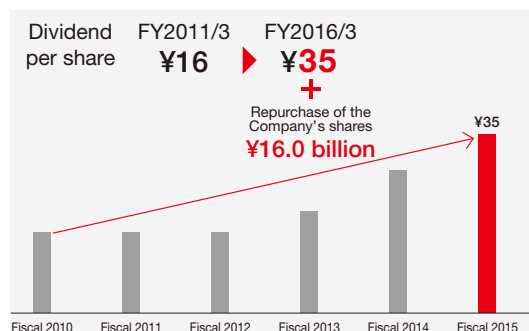
Consolidated Net Income



Annualized net premium from policies in-force of the Group



Shareholder Returns



Second stage of New Foundation: Pursuing alliances and innovation

Currently the financial and economic environments in Japan and overseas are undergoing sweeping change, including slower economic growth in emerging countries and the introduction of the negative interest rate policy in Japan. However, the growth strategies of the Group are evolving without interruption.

With the further evolution of these growth strategies and the transition to a holding company structure as a start, we have positioned the current fiscal year as the beginning of the second stage of our New Foundation.

Under the holding company structure, the flexible allocation of management resources on a Group-wide basis, prompt decision-making at each company, and higher efficiency and the creation of more synergy among the Group companies can be expected. This is the beginning of a new innovative change for us. As we positioned the demutualization and the listing in 2010 as New Foundation, we want to target further growth, mobilizing the entrepreneurial spirit of each employee, by resetting our aspirations based on the spirit we adopted at the time of founding in 1902 and seizing this occasion to advocate once again the “second stage of our New Foundation.”

In the second stage of New Foundation, we will aim higher and strive to create synergy to accelerate the value creation and growth of each company, building on the foundation created by the past achievements of growth strategies for each business in the three growth engines.

In the domestic life insurance business, we will enhance our fine-tuned consulting services for customers by strengthening the consulting capability of Total Life Plan Designers of Dai-ichi Life and enhancing our system for cultivation, aiming to contribute to higher productivity and promoting the multiplex structure and diversification of channels. We will also create a framework to meet the savings needs of customers by boosting sales of life insurance products of Dai-ichi Frontier Life by Total Life Plan Designers across the country, leveraging Group synergy.

In the overseas life insurance business, acquisition projects implemented by Protective Life in the previous fiscal year are also expected to begin contributing to profits in the current fiscal year. We will continue to seek to bolster the profit contribution of Protective Life by supporting its acquisition strategies. On top of that, the Group companies in Asia Pacific countries, including TAL (Australia), also seek sustainable growth, while demonstrating their strengths.

In addition to these strategies, we will also work to generate growth opportunities by incorporating a business alliance with Japan Post Insurance Co., Ltd. (hereinafter “Japan Post Insurance”), the establishment of Asset Management One and the promotion of InsTech as new strategies, aiming to make the three growth engines stronger and more flexible.

Initiatives to make the three growth engines stronger and more flexible

Business alliance with
Japan Post Insurance

Establishment of
Asset Management One

Promotion of InsTech


A comprehensive business alliance with Japan Post Insurance has been formed, with collaboration among the three growth engines and the development of local communities as a common vision. This alliance will enable the both companies to mutually complement and amalgamate their strengths in the overseas life insurance business and the asset management business, in addition to the domestic life insurance business. We will first examine and introduce various forms of support to strengthen the sales of Dai-ichi Life Vietnam. We will also jointly invest in growth areas such as project financing in asset management, and consider joint studies on the domestic life insurance business. Through these initiatives, we will contribute to the development of local communities in Japan by improving the quality of our products and services. We will also contribute to the social and economic development of other countries through the penetration and dissemination of life insurance.



By your side, for life

DAI-ICHI LIFE

Domestic life
insurance business

Development of new products

Use and application of IT technologies

Overseas life
insurance business

Building of a cooperative relationship (in Vietnam, etc.)

Asset management
business

Shared use of asset management
companies

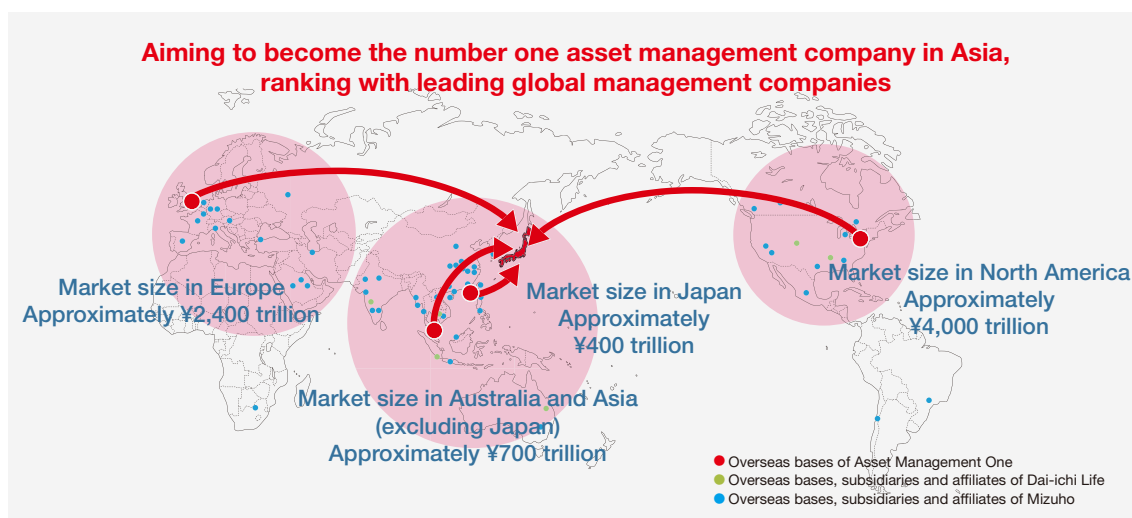
Joint investment in growth areas

**Promoting sustainable gains in corporate value by complementing and
amalgamating the strengths of both companies.**

In October 2016, DIAM Co., Ltd., a Group company, will make a new start as Asset Management One Co., Ltd. that is to be established by integrating with three companies of the Mizuho Financial Group.

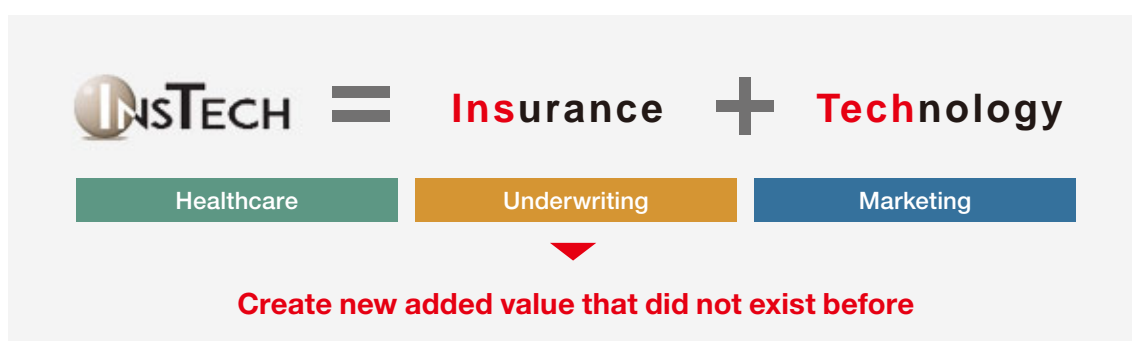
Looking at the world's asset management markets, the market size in North America, Europe, Australia and Asia is massive, and further growth can be expected.

Asset Management One, which will be one of the largest asset management companies in Japan, aims to become the number one asset management company in Asia, ranking with leading global management companies by strengthening its investment capability, product competitiveness and sales capability and assembling the strengths and resources of each management company, taking in funds around the world by drawing on all of their networks.



We are working to promote InsTech, which aims to create innovations unique to the life insurance business in terms of both the insurance business and technology, as a Group-wide effort, viewing it as an initiative for the future insurance business and as a higher priority strategic issue in each domain of healthcare, underwriting and marketing. In August 2015, Neo First Life launched lifetime medical insurance, to which a discount for non-smokers is applied, as an industry first,* based on the analysis of big data in medicine. We were able to provide the world with new value by promoting better health. Going forward, we will work to create new added value that did not exist before and use the latest technology by further pressing forward InsTech, with a view to collaborating with other business categories, while making aggressive use of outside development capabilities and ideas.

* According to the survey of Neo First Life on the insurance products of life insurance companies that are members of the Life Insurance Association of Japan (as of June 29, 2015). Excluding medical-related riders, etc.



Lastly

Setting a new medium- to long-term vision of “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 what we have preserved since our founding.

Management Strategy

Management Strategy of the Dai-ichi Life Group



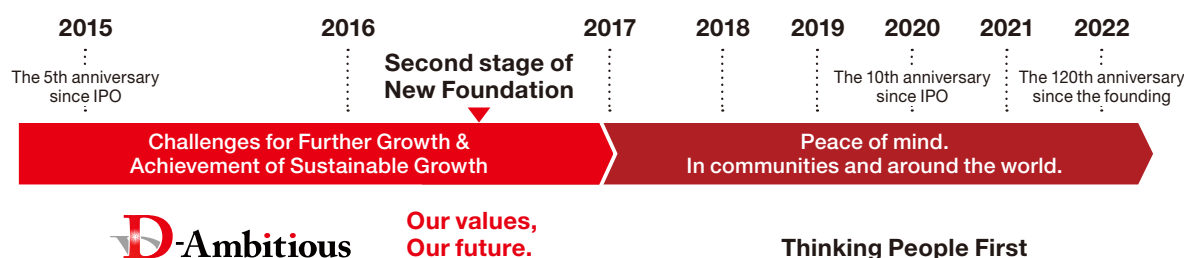
Medium-Term Management Plan of Dai-ichi Life Group

Medium-Term Management Plan	D-Ambitious	P.20
Dynamism	Growth Strategy (Domestic Life Insurance Business)	P.22
	Growth Strategy (Overseas Life Insurance Business)	P.28
	Growth Strategy (Asset Management Business)	P.36
	Special Feature: Efforts for Business Alliance	P.42
Discipline	Promotion of ERM	P.44
Dimension	Group Management	P.45
Diversity	Human Capital Development	P.46

Medium-Term Management Plan **D-Ambitious**

The Dai-ichi Life Group set the medium-term vision “Peace of mind. In communities and around the world.” as an objective for 2020, and aims to become an insurance group that continues to be selected by people around the world.

In the medium-term management plan “D-Ambitious/ Our values. Our future,” covering fiscal 2015 to 2017, we are working to achieve sustainable value creation to answer the expectations of all of the stakeholders of the Group including shareholders and investors by continuing to evolve DSR Management, our unique value-creating framework for creating corporate values.



■ Numerical targets^{*1}

Items		Management targets
Corporate value	EV growth rate (RoEV)	Average growth of <u>more than 8%</u>
	Consolidated adjusted net income ^{*3}	Fiscal 2017 <u>¥220 billion</u>
Top line (growth potential)	Annualized net premium from policies in-force of the Group	Actual result at the end of fiscal 2017 <u>9% growth</u> (compared to the end of fiscal 2014)
Capital level	Capital adequacy ratio (economic value) ^{*2}	By the end of fiscal 2017 <u>170% - 200%</u>
Shareholder Returns	Total payout ratio to consolidated adjusted net income ^{*3}	<u>40%</u> during the period of D-Ambitious

^{*1} The management targets above are based on the assumption that the economic environment will not differ much from the level at the time of setting the targets.

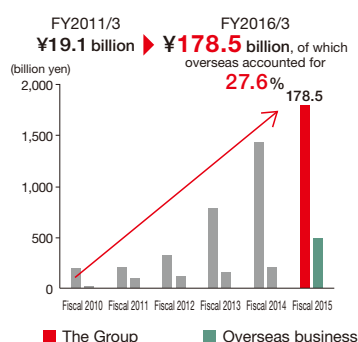
^{*2} Capital adequacy ratio (economic value) is an indicator of financial strength. It is calculated by dividing capital based on an economic value by a risk amount generated from an internal model (confidence level 99.5% on an after-tax basis).

^{*3} See page 65 for consolidated adjusted net income and total payout ratio.

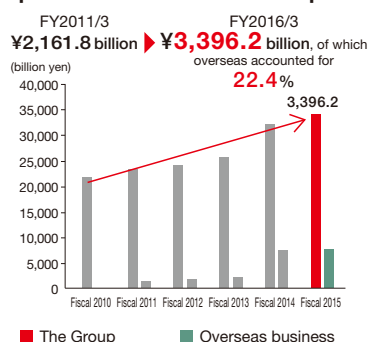
■ Actual results in fiscal 2015

The Group took the initiative with growth-oriented investments in both Japan and overseas, ahead of other companies. As a result, the Group is at an advanced stage of business diversification, regional diversification and the sophistication of asset management, all of which create an advantageous business foundation that is less susceptible to the current unstable economic environment. As a consequence, both the top line and the bottom line progressed favorably in the fiscal year ended March 31, 2016, and shareholder returns were also enhanced.

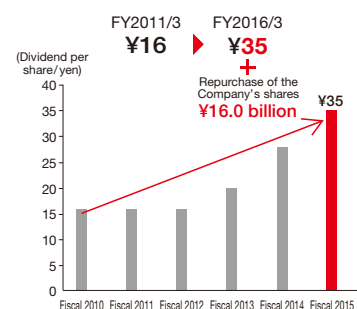
Consolidated adjusted net income



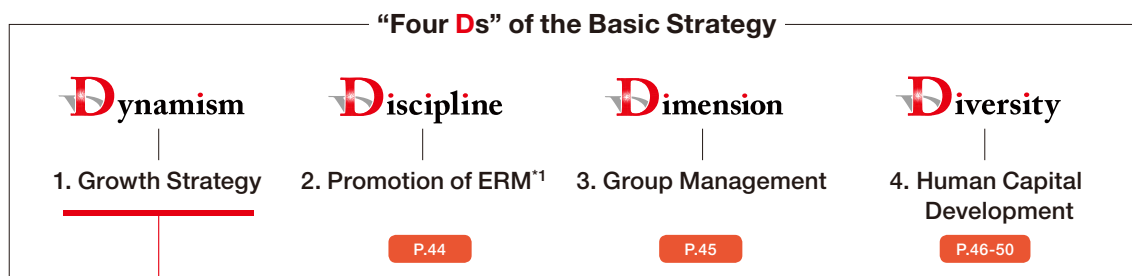
Annualized net premium from policies in-force of the Group



Shareholder Returns



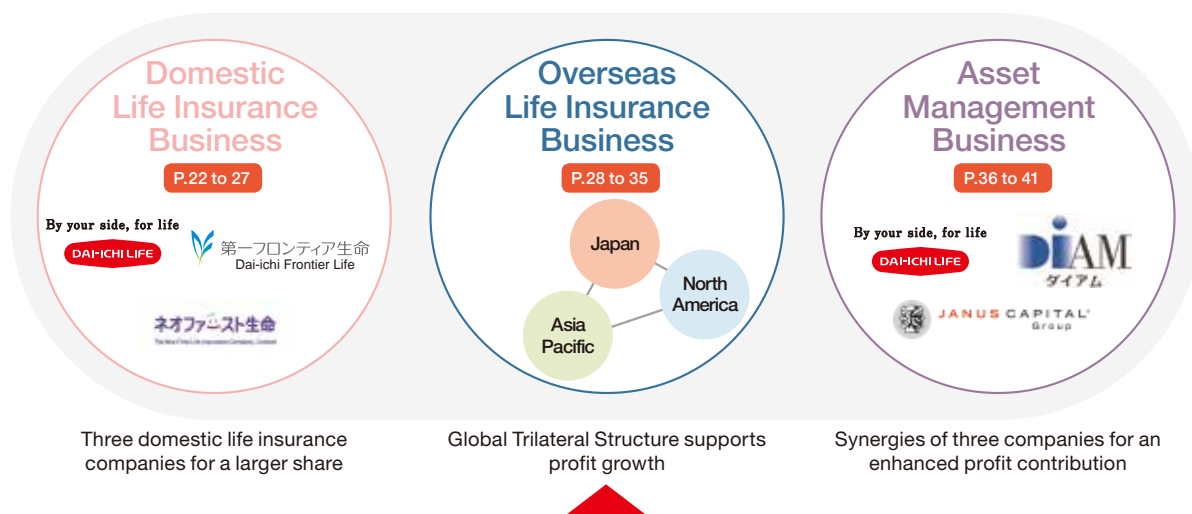
D-Ambitious Overview of D-Ambitious



^{*1}: ERM (Enterprise Risk Management) is an effort to increase capital efficiency and corporate value by formulating strategies according to profits, capital and risks, taking into account the types and characteristics of the risks.

Dynamism Growth Strategy

We will realize sustainable and solid growth with three growth engines (the domestic life insurance business, the overseas life insurance business and the asset management business).



Initiatives to make the three growth engines stronger and more flexible

Business alliance with Japan Post Insurance

Through our business alliance with Japan Post Insurance, we aim to strengthen our business base and create new growth opportunities by harnessing the strengths of both companies in the areas of the overseas life insurance business, asset management business and domestic life insurance business.

Establishment of Asset Management One

In October 2016, Asset Management One will be established by integrating DIAM Co., Ltd. with the asset management companies and departments of Mizuho Financial Group, Inc. We will further strengthen our asset management business, with the aim of becoming the number one asset management company in Asia ranked with leading global management companies.

Promotion of InsTech

We will achieve innovation by developing an ecosystem in cooperation with other business categories with InsTech (a portmanteau of the insurance business [Insurance] with [Technology]) and aggressively taking in outside development capabilities and ideas.



Dynamism Domestic Life Insurance Business

The structure of three domestic life insurance companies fully activated under our growth strategy
 “By your side, for life – With You Project,”
 aiming to meet diverse customer needs.



Norimitsu Horio

Representative Director, Deputy President

Key points for the Fiscal 2015

By your side, for life

DAI-ICHI LIFE

Promotion of more sophisticated consulting of Total Life Plan Designers and the diversification of sales channels



第一フロンティア生命
Dai-ichi Frontier Life

Succeeded in turning positive in a single year for the first time since its founding as a result of the steady accumulation of policies in force.

ネオファースト生命

The Neo First Life Insurance Company, Limited

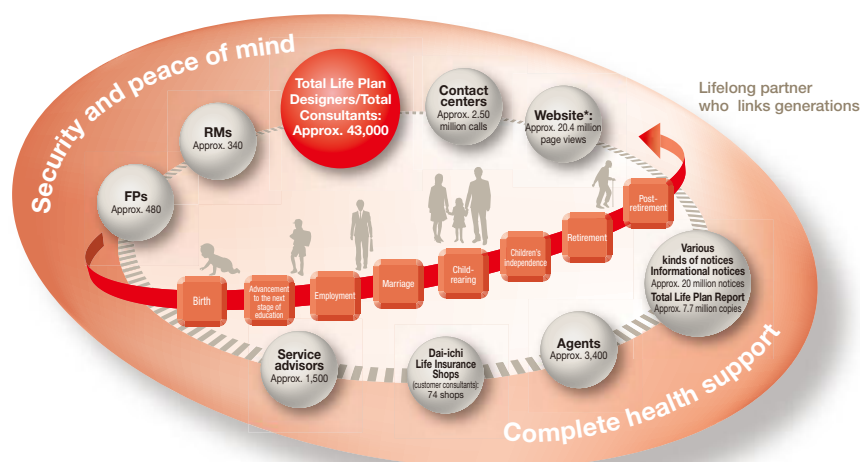
Providing products designed to promote improved health among our customers, such as a discount for non-smokers and discount for people who maintain a healthy state.

Basic Strategy

Provision of added value through life insurance

The Group provides each customer with higher added value based on strong teamwork among all officers and employees, each with a highly specialized skill-set such as Total Life Plan Designers, by further enhancing its

efforts to offer security and peace of mind and complete health support through life insurance, the core business of the Group, under its growth strategy “By your side, for life – With You Project.”






*Number of page views from April 2015 to March 2016.

Response to diversified needs based on the structure of three domestic life insurance companies

In the domestic market, customer needs are diversifying in association with significant changes in lifestyles, reflecting factors such as the advancement of the aging population and declining birth rate, a rise in the percentage of unmarried people and a fall in the average

number of persons per household. To respond to these diversified needs quickly and accurately, we will deliver the best-suited products through the optimum channel by building a structure of three domestic life insurance companies.

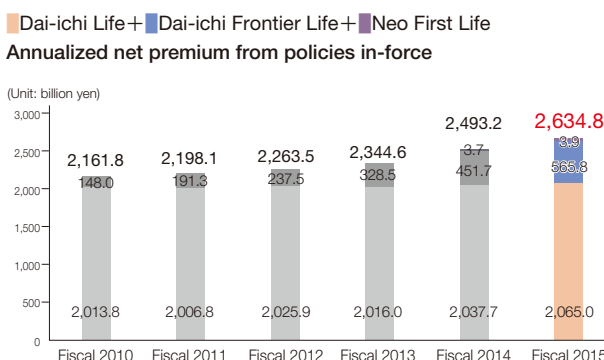
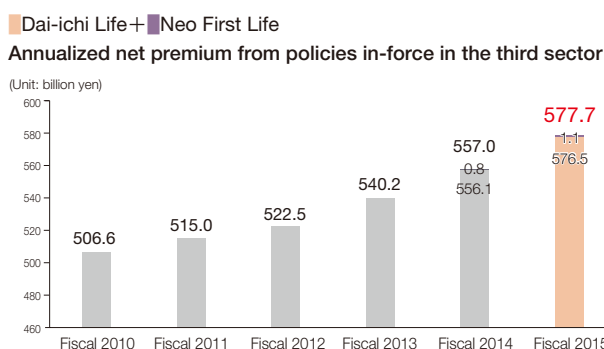
Customers' needs	High quality consulting/ high value-added services	Comparing products/ simple products and procedures			
Products	Products requiring consultation	Relatively simple products			
Distribution channels	Banks Securities companies	Sales representatives	Insurance agents Walk-in shops	Banks	Direct sales
The Dai-ichi Life Group's presence	 第一フロンティア生命 Dai-ichi Frontier Life	By your side, for life  DAI-ICHI LIFE	 ネオファースト生命 The Neo First Life Insurance Company, Limited	To be determined	

Review of operations for fiscal 2015

In fiscal 2015, we were able to maintain a solid performance particularly in the third sector market and the individual savings market, which we regard as growth areas, based on the structure of three domestic life insurance companies, namely Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life.

In the third sector market, we steadily increased the annualized net premium from policies in-force in the third sector of the Group, thanks to strong sales of our main product "Bright Way," the start of handling the partial benefit alteration system "Security Relay Plan" and the launch of medical insurance for women "Nadeshiko Yell."

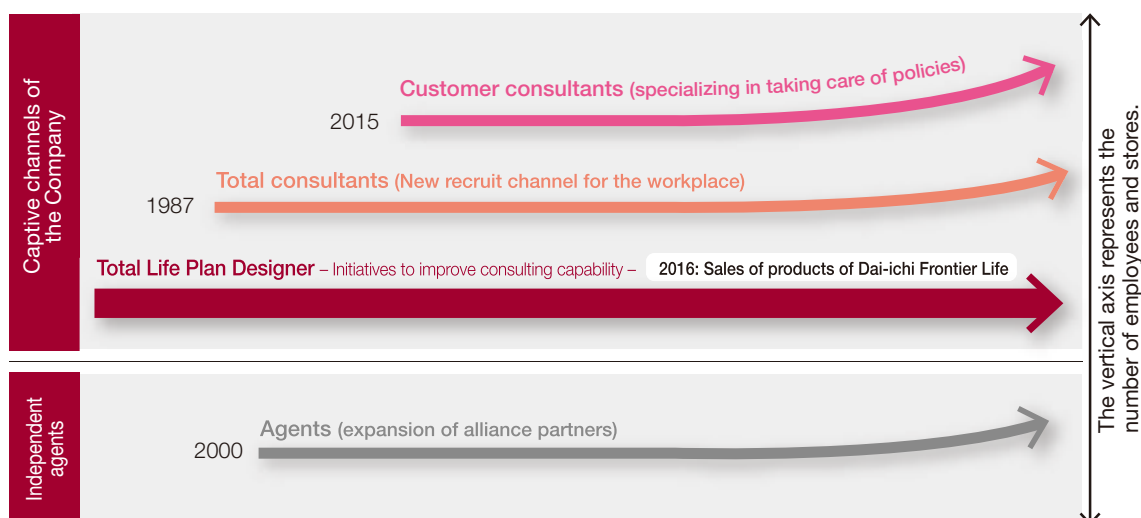
In the individual savings market, we solidly expanded the annualized net premium from policies in-force of the Group, given the strong sales of individual annuity insurance at Dai-ichi Life and firm sales of savings-type insurance through the bancassurance channel of financial institutions at Dai-ichi Frontier Life.



Diversification of sales channels

For the purpose of further strengthening the follow-up system for customers, the Company is seeking to diversity its sales channel on top of the core Total Life Plan Designers, Total

Consultants consisting of new graduates and customer consultants who specialize in following up policies in force.



By your side, for life

DAI-ICHI LIFE

Marketing using big data

We have embarked on an initiative to mechanically create information to provide the optimum products and services for each customer at the optimum moment by analyzing

big data, which added external information to customer information accumulated by the Company, and provide such information to Total Life Plan Designers.

1

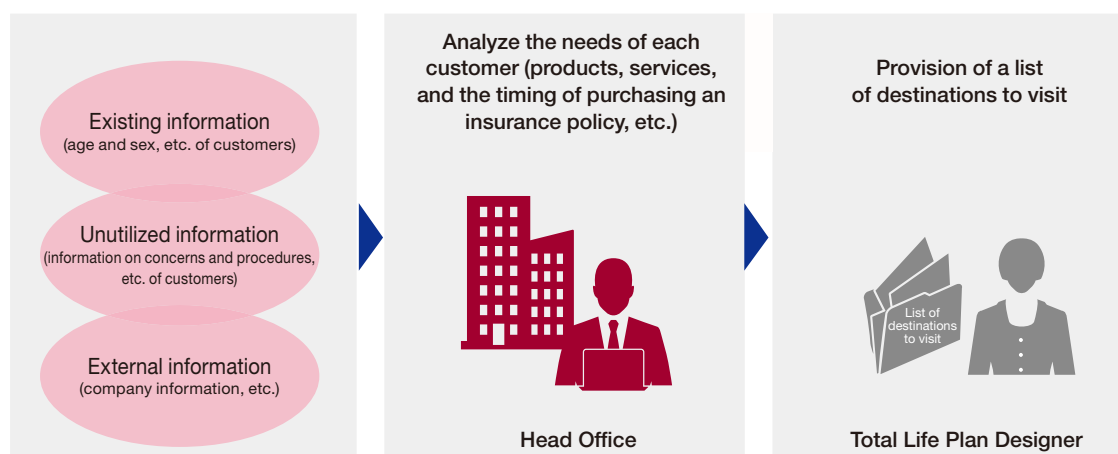
Consolidation and accumulation of big data

2

Statistical analysis

3

Provide the analyzed results to Total Life Plan Designers



Dai-ichi Frontier Life moves into the black



This subsidiary sells single premium savings-type products, such as annuity insurance and whole life insurance, through financial institutions such as banks and securities companies.

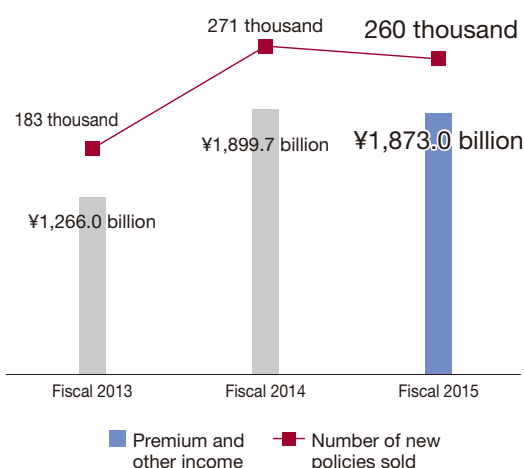
Since its founding in 2007, the subsidiary has been working on bolstering its product lineup

to meet diversified needs of the customer while fine tuning its sales support for agents.

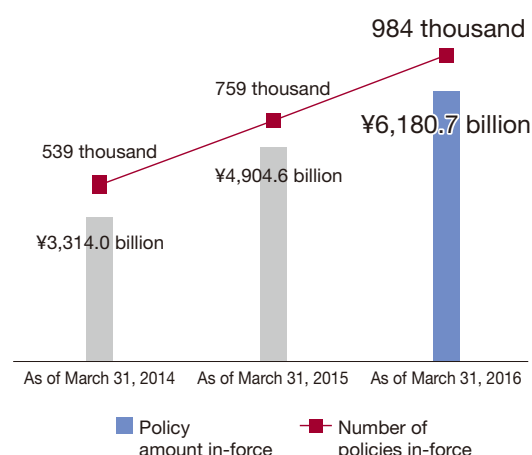
Thanks to these efforts, it steadily increased the amount of policies in force and became profitable on a single-year basis for the first time since its founding by posting net income of ¥24.3 billion in fiscal 2015.

Dai-ichi Frontier Life – Main Financial Results

Premium and Other Income and Number of New Policies Sold



Policy Amount In-force and Number of Policies In-force



Launch of insurance products by Neo First Life, using big data



To meet customer needs for selecting insurance at banks and walk-in insurance shops after making a comparative review, Neo First Life began providing protection-type products and services through banks and walk-in insurance shops in August 2015.

Immediately after its founding, Neo First Life launched a whole life medical insurance with non-smoker discount and lifetime medical insurance with reduced underwriting standards to which a discount for people who maintain good health is added—both industry firsts—using big data owned by Dai-ichi Life. In this way, the subsidiary provides products to encourage the health promotion and enhancement of customers. As a result, Neo First Life gained support from many

customers and agents, and the cumulative number of new policies sold in new products exceeded 10,000 in May 2016.



■ Focus

Initiatives for Insurance Technology (“InsTech”), which will create new insurance products and services by combining the insurance business with technology.

Shunsuke Saito

Manager of Marketing Strategy Unit and
Marketing Strategy Department



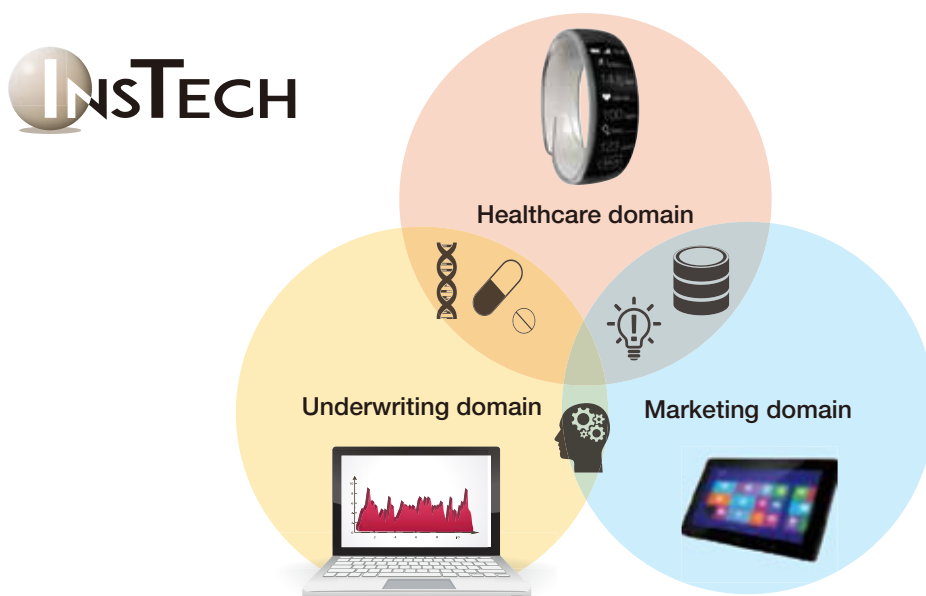
In the financial industry such as banks, FinTech, which provides new financial services by integrating finance with technology, has attracted attention in recent years. The Group calls its initiative to create innovations unique to the life insurance business from both aspects of the insurance business (Insurance) and Technology “InsTech” and positions it as the highest priority strategic issue required a concerned Group-wide effort. Here we discuss the rationale and direction of this initiative.

Innovations in three domains conceived by a team specializing in “InsTech”

In December 2015, the Group built the InsTech Innovation Team to promote InsTech. The team, made up of approximately 30 members with specialties in various areas as a cross-sectional organization at head office, examines the provision of new added value that integrate big data and medical and healthcare information with cutting-age information and communication technology (ICT) in the three domains of healthcare, underwriting and marketing. The team also studies the possibility of finding practical application for cutting-

edge technical information owned by venture companies, venture capitals and high-tech companies (such as IT vendors) together with overseas Group companies, including those in the United States, by collecting and analyzing the information.

The team conducts active discussions and repeats trial and error in daily meetings. I am excited to create high value-added products and services and shapes the future of the insurance business through its efforts in InsTech.



Innovations achieved by “InsTech”

In the healthcare domain, Neo First Life, a Group company, launched lifetime medical insurance with a non-smoker discount, the first of its kind in the industry, in August 2015 by analyzing medical big data owned by Dai-ichi Life*. Non-smoking is one of the elements

that promotes health, and this product feature will provide an incentive for daily health improvements. In addition, we are also working to carry forward new innovations in the underwriting and the marketing domains, as the table below shows.

*According to the survey of Neo First Life of the insurance products of life insurance companies that are members of the Life Insurance Association of Japan (as of June 29, 2015). Excluding medical-related riders, etc.

Examples of initiatives

Healthcare

- Neo First Life launched a medical insurance product to which a discount for non-smokers is applied and a medical insurance product with a reduced underwriting standard to which a health discount is applied.

Underwriting

- Building a system for prompt, reliable payments by applying advanced technology to the payment operations of claims and benefits.

Marketing

- We have embarked on an initiative to mechanically create information to provide the optimum products and services to each customer at the optimum moment by analyzing intrinsic big data and provide the information to Total Life Plan Designers.

The future business model which “InsTech” anticipates

Because the recent advancement of technologies is very rapid, it is important to follow the trends and respond quickly.

In the years ahead, we will introduce more advanced innovations in each domain of healthcare, underwriting and marketing, on top

of our existing achievements. For that purpose, we will aggressively incorporate not only knowledge inside the Group, but also outside development capabilities and ideas, with a view to developing an ecosystem in cooperation with other industries.

Future initiatives

Healthcare

- Provision of life insurance and services that can contribute to an improved quality of life (QOL) and the extension of healthy life expectancy

Underwriting

- Faster administrative procedures for underwriting examination and policy management, using artificial intelligence (AI), etc.
- Building of a system for customers to be able to purchase insurance policies more easily by simplifying medical examination and declaration items at the time of purchasing policies.

Marketing

- Search for marketing methods suited for the age of the Internet of things (IOT) and artificial intelligence (AI)

Dynamism Overseas Life Insurance Business

“Accelerated business development in overseas markets and the expansion of profit contribution”
Creating greater shareholder value by promoting balanced growth in developed and emerging countries.

Shigeo Tsuyuki

Representative Director, Deputy President



Key points for the Fiscal 2015

Contribution to group profit

Protective Life's contribution enabled the overseas life insurance business to generate more than 20% of the profits of the Group.

Reinforcement of framework

With the regional headquarters, and thus the Global Trilateral Structure, having operated stably for their first year, we have reinforced the framework for business management and support.

Creating synergy

Inter-Group communication including both management and employees, as well as sharing of best practices and business solutions were promoted.

Basic Strategy

Designing a balanced business portfolio in the stable-market and the growth market

The economic and business environment surrounding life insurance market varies from one country to another. We expect to see profits in emerging markets in Asia and other regions to grow over the medium to long term through growth in the local economy and the development the insurance system, while profits are expected to grow more stably in developed markets such as North America. The Dai-ichi Life Group's overseas life insurance business aims for long-term profit growth by achieving a good balance between stability and growth potential through operating business in both developed and emerging markets. Moreover, in managing business overseas, we aim to plan and operate business in line with the environment surrounding each Group company, including maturity

of the local markets, which we believe leads to sustainable growth in the overseas life insurance business as a whole. We also commit ourselves to the creation of synergy between Group companies and to making a contribution to local communities through life insurance business.

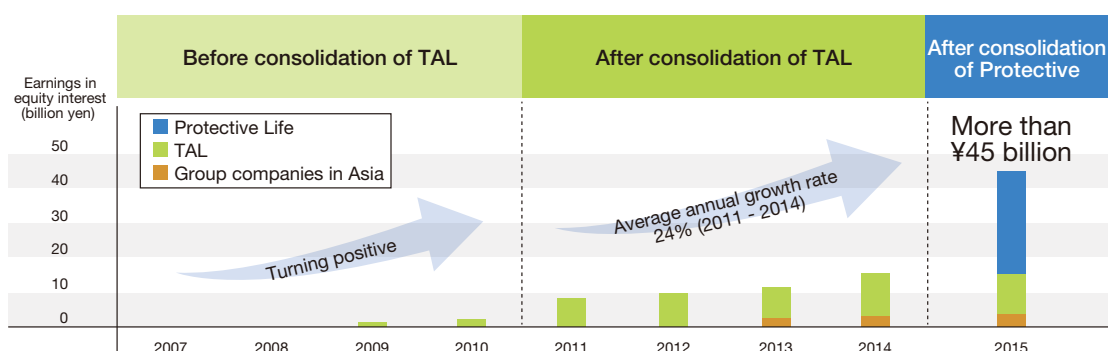


Review of operations for fiscal 2015

Achieved significant growth under the Global Trilateral Structure with effective operation of the regional headquarters

The contribution of the overseas life insurance business to group profit has been steadily growing, by expanding it into a total of six countries, starting with the business expansion to Vietnam in 2007. In fiscal 2015, having the regional headquarters in North America and the Asia Pacific region achieve stable operation for their first year under the Global Trilateral Structure, we took another step forward to accomplish the targets set in our medium-term management plan “D-Ambitious,” by reinforcing our business management and support frameworks, which are capable of expanding

existing businesses. Initiatives that effectively incorporate each Group company’s strengths and harness the regional headquarters’ geographical advantage have allowed the Group to achieve outcomes such as the acquisition of a large group insurance policy contract by TAL, which operates in a stable market (Australia). Thanks to the strong performance of the Group companies and the profit contribution of the newly consolidated Protective Life (U.S.), the overseas life insurance business generated profits of more than ¥45 billion, accounting for more than 20% of the group profit in fiscal 2015.



Overseas Group companies demonstrated their strength in their respective markets

Protective Life acquires in-force blocks of term life insurance

Our U.S. group company Protective Life acquired in-force blocks of term life insurance owned by a wholly-owned subsidiary of Genworth Financial, Inc. in Virginia, the United States. This was the first acquisition deal conducted by Protective Life after joining the Dai-ichi Life Group. Protective Life has strength in the acquisition business of in-force blocks of insurance policies. It has successfully concluded 48 acquisition deals to date, including this deal, achieving an industry-leading track record in the U.S.

Business alliances formed by Dai-ichi Life Vietnam

Our Vietnamese group company Dai-ichi Life Vietnam signed an exclusive bancassurance agreement for 10 years with HD Bank*. This first long-term exclusive bancassurance agreement concluded between a Japan-based life insurance company and a leading Vietnamese bank, will enable Dai-ichi Life Vietnam to distribute its life insurance products through HD Bank’s approximately 220 branch offices spread

throughout Vietnam. Dai-ichi Life Vietnam has subsequently signed an exclusive bancassurance agreement for 15 years with Vietnam Post, and the companies Dai-ichi Life, Vietnam Post and Japan Post Insurance have signed a memorandum regarding trilateral collaboration, including cooperation in the insurance distribution described above (See pages 42 and 43 for details).

*Ho Chi Minh City Development Joint Stock Commercial Bank



Commemoration ceremony of business alliance with HD Bank

■ Focus

“Respecting each other, Learning from each other and Growing together” Seeking Value Creation Synergy

Gekka Kim
Senior Assistant Manager,
International Business Administration Group,
International Business Management Department



The Dai-ichi Life Group promotes inter-Group communication, as well as sharing each group company's strength and best practices. We believe this leads to the Value Creation Synergy we seek for synergies through which new value is generated. Let me introduce the significance of this initiative and the objective we see ahead of it.

Respecting each other, learning from each other and growing together

In the six countries where the Group operates overseas life insurance business, the market environment is unique, for example in terms of the demographic structure, the social security system and economic conditions. Group companies continue to grow steadily in their local markets, overcoming such differences, by designing distinct strategies that reflect their

individual competencies. We believe that Group companies respecting each other and learning from each other, rather than Dai-ichi Life unilaterally conveying its philosophy, policies and initiatives, leads to the significant growth of the whole Group, generating synergy which in turn enables value creation.

Active inter-Group communication and know-how sharing: management and employees together, including insurance agents.

The Group stimulates inter-Group communication at a broad range of job levels, as well as sharing of ideas and know-how, through opportunities represented by a variety of meetings held.

To cite an example of personnel exchange, Executive Summit, where executives from our Group companies gather in one place, and invitation of the overseas management to the Company's Executive Management Board, would be examples to show our effort

to stimulate inter-Group communication. We also invite overseas insurance agents who have achieved excellent results to a commendation ceremony of sales representatives held in Japan. The sight of Japanese sales representatives and insurance agents from other countries having a pleasant chat and taking pictures together makes me realize how our employees' sense of belonging to the Group is strengthened, and how the Group is more united.



Executive Summit



Sales representatives and overseas insurance agents taking the stage at the commendation ceremony in 2015.

Sharing know-how initially began with a one-to-one basis at the initiative of the Company, but before long had spread to know-how sharing on a Group-wide basis, including the Company. Today, this movement continues to show progress, represented by more active sharing of know-how between overseas Group companies, not only led by the Company but also by the Group companies themselves.

Above all, the Global Management Conference (GMC), one of the major initiatives, where executives both domestic and overseas

are brought together, has made impressive progress. Its conference theme has now expanded to a broad range of areas, from product development, sales, and public relations to IT. Although operating such events can sometimes be challenging, given the diversity in cultures and customs of members, I feel the work's importance and joy in the preparation, especially when I hear feedback from the participating members such as: "It was great to share similar concerns" or "I got useful ideas for designing future strategies."

Examples of sharing know-how

- Insurance agents from Thailand, India and Indonesia visited Japanese branch offices and sales offices.
- GMC is regularly held for executives to share and discuss best practices.
- A U. S. group company and Dai-ichi Life shared successful examples of insurance sales through distribution partners utilizing the Internet.



Group photo at GMC



Meeting between Dai-ichi Life Vietnam and Star Union Dai-ichi Life

- As a bancassurance channel through local financial institutions continue to develop in Vietnam, our Vietnamese group company visited our Indian group company, which has strength in bancassurance, to exchange opinions on future business strategy.

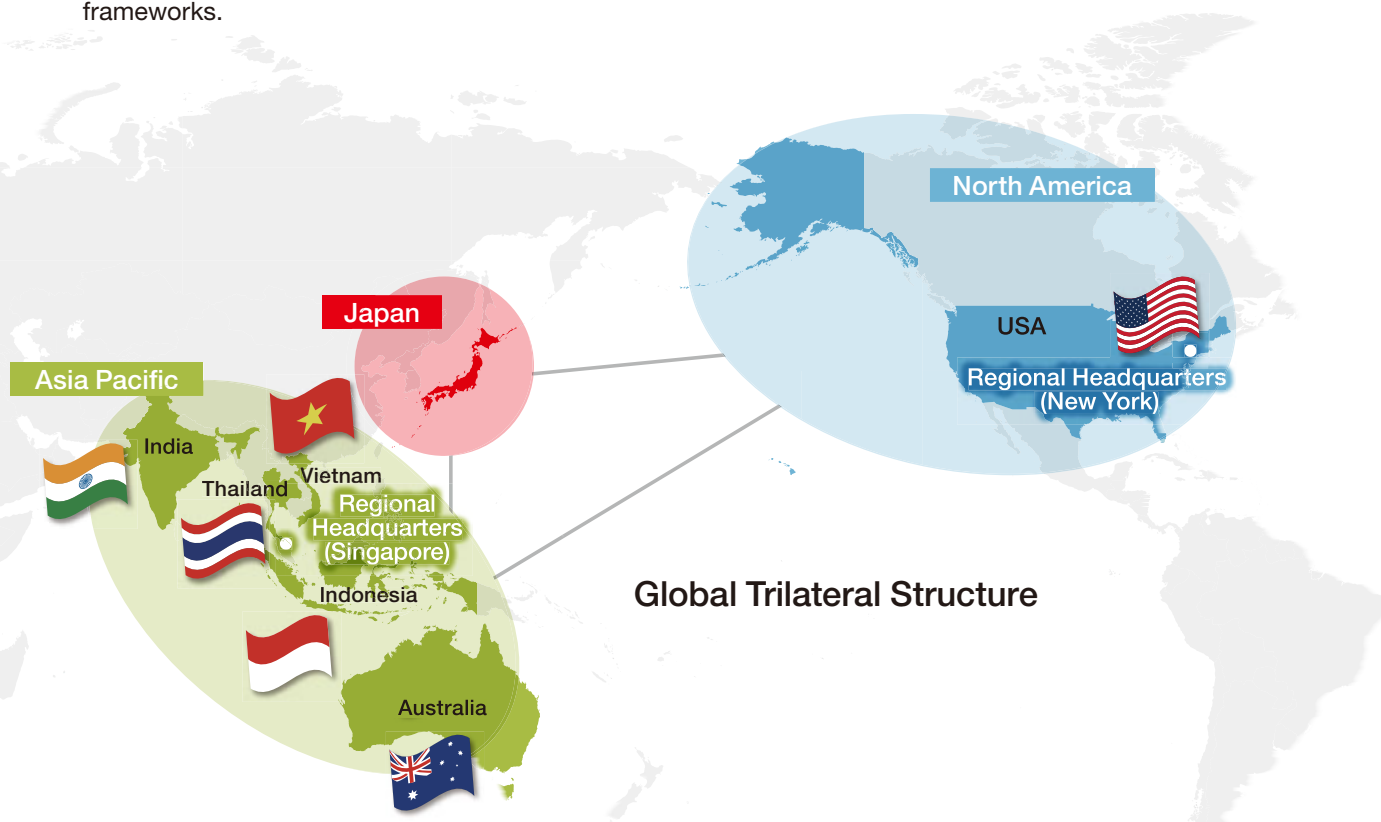
For further promotion of value creation

Our future challenge will be to effectively match the different strengths and challenges of the Group companies, in order to achieve problem solving and enrichment of growth potential, producing visible consequences of know-how sharing. We have also begun working on new initiatives such as creating opportunities for our overseas managers

and mid-level to young employees in Japan to exchange opinions face to face, with the aim of sharing the thoughts of the overseas management with employees solely engaged in domestic business. We will continue to seek Value Creation Synergy by further enhancing the members and contents of inter-Group communication and know-how sharing.

Overseas Life Insurance Companies of the Dai-ichi Life Group

The Dai-ichi Life Group operates life insurance business in six countries overseas. The Group established the Global Trilateral Structure, which includes the two regional headquarters in North America and the Asia Pacific Region, aiming to strengthen its business management and support frameworks.



Protective Life Corporation

Protective Life Corporation (USA)

Protective.



Employees participating in a charity event

Number of employees ²	2,542
Actual premium income ³	4,689 million US dollars (565.6 billion yen)
Market share / ranking ⁴	0.4% / 48th

Protective Life, which operates throughout the United States under a name that incorporates its mission of “protecting people’s tomorrow,” has advanced competencies in the acquisition of in-force blocks of insurance policies, in addition to the traditional life insurance and individual annuity business. It is one of the industry’s strongest performers, successfully completing a total of 48 acquisition deals¹. Its commitment to minimizing costs to ensure efficient operations is one of Protective Life’s strengths, which has enabled its corporate growth based on a distinctive business model wherein capital generated through the retail business is utilized for the expansion of acquisition business. Alliances with strong partners and adoption of the latest technologies are examples of further initiatives Protective Life is taking with the aim of achieving organizational distinctiveness.

TAL Dai-ichi Life Australia Pty Ltd TAL (Australia)



Presentation by Brett Clark, CEO

TAL promotes strategies specializing in protection-type products. It became the industry leader in the Australian (protection-type) life insurance market in December 2013 in terms of annualized net premium from policies in-force, thanks to its effective use of sales channels, including retail, group and direct. Since then, it has continued to increase its share as the market leader. TAL is locally highly regarded for a wide range of business areas, well indicated by the fact that TAL was commended as the best life insurance company throughout the year in fiscal 2015. It also won multiple awards⁵ for its products which meet customer needs.

Number of employees ²	1,616
Actual premium income ³	3,020 million Australian dollars (260.5 billion yen)
Market share / ranking ⁴	17.2% / 1st

Dai-ichi Life Insurance Company of Vietnam, Limited Dai-ichi Life Vietnam (Vietnam)



Ceremony for the Vietnam Prime Minister's

Dai-ichi Life Vietnam, which is expanding its business ahead of the market, increased its market share to 9.3% today from 4.4% at the time it started its business. It is also developing new networks, concluding an exclusive bancassurance agreement with Ho Chi Minh City Development Joint Stock Commercial Bank and Vietnam Post. Highly regarded at home and overseas, it received the Vietnam Prime Minister's Award in fiscal 2014. In fiscal 2015, it was commended for its CSR activities⁶ in one of the largest contests in the Asian insurance industry.

Number of employees ²	785
Actual premium income ³	3,539.1 billion dong (19.1 billion yen)
Market share / ranking ⁴	9.3% / 4th

Overseas Life Insurance Companies of the Dai-ichi Life Group

PT Panin Dai-ichi Life

Panin Dai-ichi Life (Indonesia)

PaninDai-ichiLife
By your side, for life



Group photo at Jakarta Kizuna Ekiden in fiscal 2015

Number of employees ²	440
Actual premium income ³	3,775.3 billion rupiah (33.2 billion yen)
Market share / ranking ⁴	3.0% / 10th

Panin Dai-ichi Life, a member of the Panin Group, a leading local financial group, is steadily improving its results mainly through its two largest sales channels, individual agents and bancassurance, increasing its presence in the Indonesian market. Dai-ichi Life's Mission shared as a common goal, it is also highly engaged in making contributions to local communities. Sponsoring the Jakarta Kizuna Ekiden and running an origami program to support childhood cancer patients⁷ are examples showing their engagement. In fiscal 2015, highly regarded in the local market, Panin Dai-ichi Life received an award as the best life insurance company, for its strong financial position (in the division of life insurance company with total assets of five to 15 trillion rupiah)⁸.

Star Union Dai-ichi Life Insurance Company Limited

Star Union Dai-ichi Life (India)

Star Union Dai-ichi
Life Insurance



Ceremony of ASSOCHAM Corporate Governance Excellence Award⁹

Number of employees ²	3,039
Actual premium income ³	11,178 million rupees (20.3 billion yen)
Market share / ranking ⁴	1.79% / 12th

Star Union Dai-ichi Life is the first joint venture company launched business in India with Japanese life company. It has achieved growth by simultaneously strengthening its insurance sales channel through two local state-owned banks, its joint venture partners, and the individual agent channel. In February 2016, it introduced a new individual agent channel which adopts a fixed salary system, as another step towards further growth. It is highly regarded for its wide range of business areas in the Indian life insurance market. In fiscal 2015, it won multiple awards for its strong business performance, excellent corporate governance and active contribution to society⁹.

OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED

Ocean Life (Thailand)



President Nusara (front row, right), individual agents and President Watanabe of Dai-ichi Life (front row, left)

Number of employees ^{*2}	1,947
Actual premium income ^{*3}	13,627 million baht (45.5 billion yen)
Market share / ranking ^{*4}	2.6% / 10th

Since entering into a business alliance with Dai-ichi Life, Ocean Life, which excels in its individual agent channel, has always cooperated with Dai-ichi Life in a mutual effort to raise its corporate value. Initiatives to develop the sales abilities of individual agents are an example. In fiscal 2015 its insurance premium income was ranked 10th out of 23 life insurance companies in the local industry^{*4}. This achievement will not stop its ongoing effort to increase its market presence. Ocean Life is highly regarded in the local market, as indicated by commendations in fiscal 2015 by the Ministry of Public Health for its initiatives to increase its human capital value, and by the Office of the Consumer Protection Board for the second consecutive year for its support to customers as a response to their inquiries and requests^{*10}.

*1. As of the end of March 2016. Includes a scheme of corporate acquisitions and reinsurance.

*2. As of the end of March 2016. Excluding staff in sales channels. Staff involved in direct sales of TAL are, however, included.

*3. Actual premium income figures are based on premium and other income for Protective Life, TAL, Dai-ichi Life Vietnam and Panin Dai-ichi Life, on annualized premium income for Star Union Dai-ichi Life, and on premium income for Ocean Life. Figures for Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under U.S. and Australian accounting standards, respectively, to conform to Dai-ichi Life's disclosure standards. Figures refer to the period from February to December 2015 for Protective Life, from April 2015 to March 2016 for TAL, and from January to December 2015 for Dai-ichi Life Vietnam, Panin Dai-ichi Life, Star Union Dai-ichi Life and Ocean Life. Currencies are calculated based on the following exchange rates: 1 US dollar = ¥120.61, 1 Australian dollar = ¥86.25, 1 dong = ¥0.0054, 1 rupiah = ¥0.0088, 1 rupee = ¥1.82, 1 baht = ¥3.34

*4. Comparisons are based on net premium income for the US market, annualized net premiums from policies in-force (protection-type) for the Australian market, premium and other income for the Vietnamese market, premium income for the Indonesian market, annual premium equivalent (individual insurance) for the Indian market, and premium income for the Thai market. The Indian market refers to that of private life insurance companies, excluding the Life Insurance Corporation of India, which is 100% owned by the Indian government. The point of time for comparison is the end of December 2014 for the US market and the end of December 2015 for the Australian, Vietnamese, Indonesian, Indian and Thai markets.

*5. Received Life Insurance Company of the Year from *Australian Banking & Finance*, a financial industry magazine in Australia. Received a total of four awards, including the Accelerated Protection – Outstanding Value Life Insurance Australia from Canstar.

*6. Received the Prime Minister's Award from the Vietnamese government in January 2014 as one of the corporations that made outstanding accomplishments in the areas of business and social contribution, etc. Dai-ichi Life Vietnam also received the CSR Award from Asia Insurance Review in fiscal 2015, as the only insurance company in Vietnam. Dai-ichi Life Vietnam also received this award in fiscal 2013, as the first insurance company.

*7. CSR initiative making donations in accordance with the number of related SNS posts, to childhood cancer patients through the Indonesian Childhood Cancer Foundation (posts of photos of him or herself with a heart-shaped *origami*).

*8. Received the 2015 The Best Life Insurance Company from *The Investor*, an industry magazine issued by Indonesia's largest composite media group.

*9. Received Company of the Year in the category of small and medium life insurance of the Indian Insurance Awards 2015, sponsored by *Fintelekt* in June 2015, for its highly regarded business performance in the fiscal year ended March 2015. Received the award for the best unlisted company (private sector) in the ASSOCHAM Corporate Governance Excellence Award sponsored by the Federation of Indian Chambers of Commerce and Industry in July 2015, with recognition given to its excellent corporate governance. Won the Giving Back 2015 – CSR NGO Awards in the BFI category, sponsored by *UBM India* in December 2015, in recognition of its social contribution.

*10. Received the Employee Skill Development Award from the Ministry of Public Health in Thailand in July 2015 and the Outstanding Consumer Protection Contact Center 2015 from the Office of the Consumer Protection Board of Thailand in October 2015.

Dynamism Asset Management Business

Continuously contributing to consolidated profits by enhancing the investment process and bolstering the profitability of the asset management business



Satoru Tsutsumi
Representative Director, Deputy President

Key points for Fiscal 2015

Dai-ichi Life's Asset Management

While retaining a focus on core ALM operations, we flexibly allocate capital to risk assets by taking market trends into account and actively provide middle-risk/middle-return investments and loans, such as infrastructure investments, in order to increase profitability and enhance diversification.

Asset Management Business

We achieved a higher contribution to consolidated profits by expanding the AUM of DIAM using the products of Janus and by providing the asset management function to the Group's life insurance business. We also strengthen our business through the integration of DIAM with the three asset management companies of Mizuho Financial Group, Inc.

Dai-ichi Life's Asset Management for Our Policyholders

Basic Strategy

We conduct asset management with a focus on ALM operations based on the nature of our insurance policies (insurance liabilities), mainly investing in long-term and super-long-term domestic bonds. We also strive to increase profitability by flexibly allocating capital to risk assets by taking market trends into account.

We expect that the low interest rate environment will continue due to the maintenance and enhancement of quantitative and qualitative monetary easing measures by the Bank of Japan, including a negative interest rates policy. Based on our assumption, we are scaling back purchases of Japanese government bonds, and flexibly

allocating capital to foreign currency-denominated bonds with currency hedges and risk assets. Moreover, given that the high correlation among traditional assets such as stocks and bonds, we have actively engaged in middle-risk/middle-return investments and loans, such as domestic and overseas infrastructure investments, striving to improve profitability and diversify risks. In addition, to fulfill our financial intermediary function as an institutional investor, we are also actively providing investments and loans to areas where new capital demand is expected.

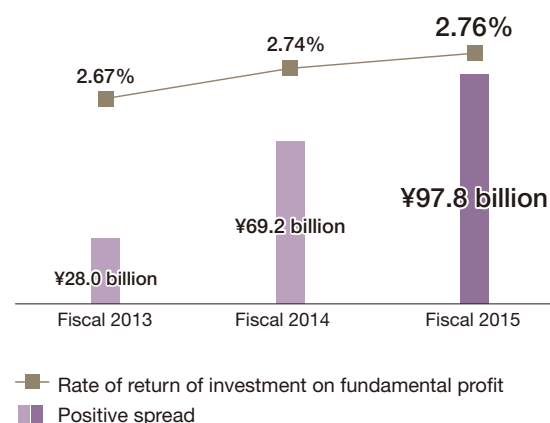
We are working to improve profitability and stabilize earnings through the initiatives above.

Review of operation for fiscal 2015

In fiscal 2015, we refrained from purchasing Japanese government bonds, including super-long-term bonds under the continued low interest rate environment, and made credit investments and selective investments in foreign currency-denominated bonds with currency hedges which have attractive yields compared to those of yen-denominated bonds. We also allocated capital flexibly to risk assets while paying attention to our risk tolerance and market trends, and made middle-risk/middle-return investments, which have a low correlation with traditional assets such as stocks and bonds, in order to diversify portfolio risks and enhance profitability.

It is thanks to initiatives such as these that we have achieved a positive spread for three fiscal years in a row, starting from fiscal 2013.

Asset investment yield and positive spread



Enhancing the investment process

Based on the recognition that stable investment income is essential for the sustainability of our corporate value, we are working on enhancing the investment process, mainly focusing on the four themes shown in the table below.

Our typical initiative in fiscal 2015 was the flexible allocation to risk assets and middle-risk/middle-return investments in an effort to enhance profitability under the low interest rate environment. Particularly regarding middle-risk/

middle-return investments, we made investments proactively and selectively in projects with a high level of difficulty. For instance, we took part in project financing for a power generation project in the United States for the first time.

We will continue our efforts to strengthen our investment capability so that we can continue to live up to expectations of our stakeholders.

Initiatives to enhance our investment process

ALM sophistication and contribution to product development	Bolstering profitability in a low interest rate environment	Fulfilling the function as an institutional investor	Development of human capital and the use of Group's resources
<ul style="list-style-type: none"> Sophistication of the process of formulating investment policies Contributing to the development of insurance and savings-type products tailored to customer needs and the investment environment 	<ul style="list-style-type: none"> Flexible capital allocation to foreign bonds and risk assets Expansion of investments and loans to new areas (middle-risk/middle-return investment) 	<ul style="list-style-type: none"> Expansion of growth investments Promotion of stewardship activities 	<ul style="list-style-type: none"> Continuous accumulation of investment knowledge and skill at Dai-ichi Life Joint efforts among the global Group companies and the use of the investment products of asset management companies

Asset management business

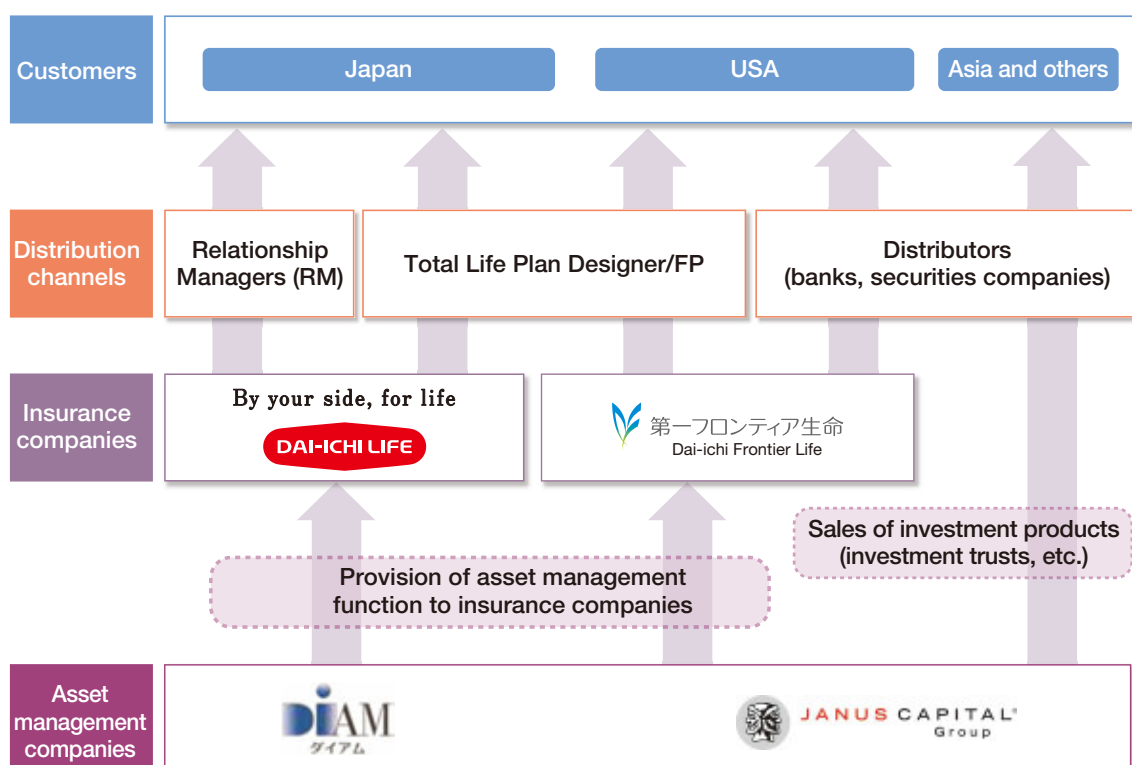
Basic Strategy

We operate the asset management business in Japan and overseas through DIAM Co., Ltd. (hereinafter “DIAM”), which we established as an equal joint venture with Mizuho Financial Group, Inc. (hereinafter “Mizuho FG”), and Janus Capital Group Inc. (hereinafter “Janus”) in the United States.

As of the end of fiscal 2015, Japan household assets stood at approximately 1,700 trillion yen. Although currency and deposits for approximately ¥900 trillion of that amount, the domestic asset management market is expected to grow continuously in the future, given that the shift from “savings” to “investment” is expected to progress with an institutional boost from the government to encourage individual asset building, as well as changes in the social structure, among

other factors. In addition, the US and other overseas asset management markets are likely to experience sustained growth. We will aim to benefit from market growth by participating in asset management markets both in Japan and overseas.

As a specific strategy, we will aim to increase our share of both domestic and overseas asset management markets and contribute to customers’ asset building through (1) the organic growth of DIAM and Janus, (2) greater collaboration between DIAM and Janus, including the promotion of mutual product sales and (3) provision the asset management function to the savings and pension businesses of Group’s life insurance companies, leveraging the investment capabilities of both companies.



Review of operations for fiscal 2015

In terms of the sale of Janus products in Japan through DIAM, we expanded the scope of business by receiving a large contract from a domestic pension fund, in addition to sales of the products to individual customers.

We also proactively sought to introduce the asset management function to the savings and

pension markets, aiming to create synergies as the overall Group, including such efforts as the joint development of Separate Account Balanced Bond Fund following Separate Account Balanced Fund II in fiscal 2014 by Dai-ichi Life and DIAM.

Establishment of Asset Management One

Dai-ichi Life and Mizuho FG agreed to establish Asset Management One Co., Ltd. by merging the asset management companies and department of both companies on October 1, 2016.

Asset Management One will aim to emerge as a global asset management company that provides customers with solutions of the highest standards by combining the resources and expertise in asset management of Dai-ichi Life, Mizuho FG and the four companies to be integrated (DIAM, the asset management department of Mizuho Trust & Banking Co., Ltd., Mizuho Asset Management Co., Ltd. and Shinko Asset Management Co., Ltd.).

Asset Management One will also fulfill its fiduciary duty as a professional asset manager and provide services and products that truly benefit its customers. Through these efforts, Asset Management One aims to become the most trusted and valued asset management company, which meets the needs of pension funds and corporate customers in terms of diversification and sophistication of their asset management, as well as encourages a shift from “savings” to “investment” in Japan through providing individual customers with high-quality products and services.

Integration of asset management companies

Before the integration



Structure after the integration (after October 1, 2016)



Focus

Enhancing profitability under a low interest rate environment through middle-risk/middle-return investments

Akinao Nishio

Deputy General Manager, Structured Finance Group,
Fixed Income Investment Dept.

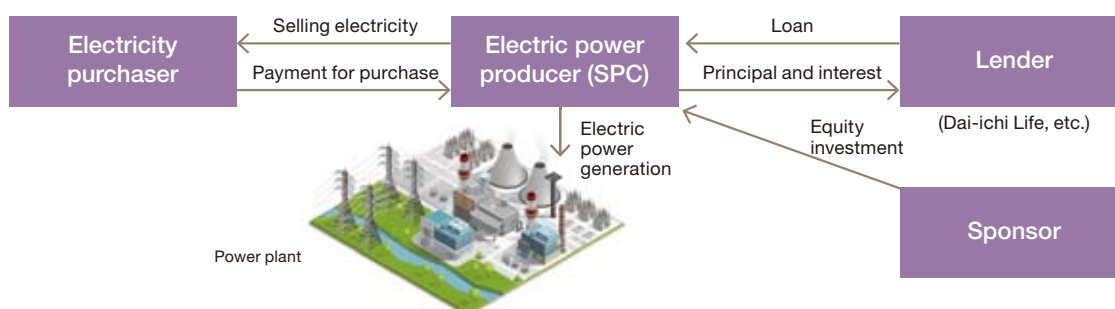


We are pursuing initiatives to enhance our investment process for the purpose of continuing to secure stable investment income amid significant changes in the environment surrounding the asset management of life insurance companies. Here I will introduce our middle-risk/middle-return investments.

Bolstering the investment process in a low interest rate environment.

Faced with the continuous low interest rate environment of recent years, we have been steadily accumulating investment know-how by expanding investments in growth areas such as infrastructure, domestic growth stocks and emerging countries, aiming to increase income and diversify risks. For example, in infrastructure project financing, which I'm responsible for, even though it has a strong affinity to asset management for life insurance because the projects are stable and long term, we still needed to overcome many hurdles for investment, such as analysis of the various risks inherent in project schemes and administrative restraints. We have even been investing in projects with a high level of difficulty by absorbing the know-how to deal with issues through interviews with banks that already have a strong investment record and with close coordination among the sections in charge of the front-, middle- and back-office operations in the investment department.

Example of a scheme for infrastructure project financing



Promotion of middle-risk/middle-return investments, making excellent use of our advanced professional knowledge

To further diversify our portfolio and improve our profitability, we need to strengthen our middle-risk/middle-return investments, which have a low correlation with traditional assets such as stocks and bonds. Specifically, we will invest in the infrastructure field including project financing and investments in real assets, such as aircraft financing and logistics facilities. Because investment in these areas often requires sophisticated professional knowledge, we will build a high-quality portfolio by making careful and selective investments, while fully utilizing our accumulated investment expertise when we make an investment.

Providing customers with new solutions for asset building with next-generation balanced funds that harness the know-how of the Group.

Yoshitaka Tsurugi

Senior Portfolio Manager, Asset Allocation Group
& Quantitative Strategy Group, DIAM Co., Ltd.



DIAM develops and provides products for the separate account of Dai-ichi Life, using its know-how in advanced financial engineering, and helps to provide solutions for the diverse asset management needs of customers. Here, I describe the development of products for pension funds, on which DIAM has worked jointly with Dai-ichi Life.

Changing customer needs in the modern investment environment

In recent years, high correlation among traditional assets such as stocks and bonds has hindered the effect of diversified investment. In addition, pension fund customers are becoming strongly aware of the risk of low-probability but significant losses (“tail risk”). To effectively meet these customer needs, DIAM and Dai-ichi Life have jointly developed Separate Account Balanced Fund II (hereinafter “Balanced Fund II”), a next-generation balanced fund that is built to endure all market environments.

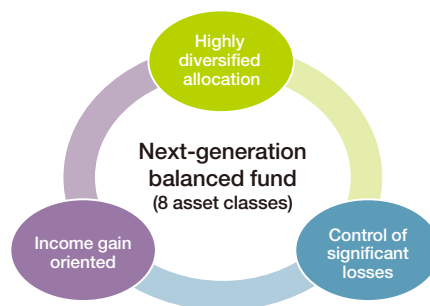
Provision of new solution products by the Group

In the product design of the Balanced Fund II, the advanced financial engineering of DIAM is used. Specifically, we enhance risk-return efficiency with the risk parity strategy, which diversifies investments with a focus on price fluctuation factors, rather than on asset classes, and with the smart beta strategy^{*1} based on a unique financial engineering model. We also control losses in case of sharp falls in market prices by using downside risk control strategy such as monitoring for signals of market crises and flexibly shifting capital. We have confirmed that a positive return^{*2} can be secured by a combination of these three strategies, even at the time of financial crisis in 2008. We began operating this fund in April 2014 and secured a positive return of 0.40% in fiscal 2015 under harsh market conditions. In fiscal 2014 and fiscal 2015, we achieved a strong performance of 11.75% in a cumulative total. Given that the AUM of the fund has also reached ¥200 billion, we think that the fund has received recognition from customers as a “new solution product.”

Dai-ichi Life and DIAM launched Separate Account Balanced Bond Fund, a new bond fund, in January 2016 for the purpose of responding to customer needs for alternative assets for domestic bonds under the low interest rate environment. This fund has also received assets steadily from customers. As a member of Dai-ichi Life Group, we will continue to provide advanced solutions tailored to diverse customer needs.

^{*1} A strategy that seeks to generate excess returns by incorporating stocks based on a certain rule focusing on factors such as dividend level, rather than the weighted average according to market capitalization.

^{*2} Performance in 2008 is measured by a simulation based on past data.



Efforts for Business Alliance

Aiming to bolster business competitiveness and strengthen contributions to local communities

JP かんぽ生命
INSURANCE

A comprehensive business alliance with Japan Post Insurance began in March 2016

Masami Ishii (left), President of Japan Post Insurance, shaking hands with Koichiro Watanabe (right), President of Dai-ichi Life



Promoting life insurance through Vietnam Post



On April 19, 2016, a memorandum on collaborative relationships was signed between Japan Post Insurance, Vietnam Post and Dai-ichi Life, which marked the first step for overseas business, one of the main objectives of the alliance between Japan Post Insurance and Dai-ichi Life.

The Dai-ichi Life Group has been working to spread life insurance in Vietnam since 2007 through Dai-ichi Life Vietnam. The collaborative relationship built with Japan Post Insurance will enable the three companies to share the know-how that Japan Post Insurance possesses in selling insurance products over the counter at post offices. The Group expects further growth in sales of life insurance products by Dai-ichi Life Vietnam at Vietnam Post.



From left at the signing of the memorandum, President Watanabe of Dai-ichi Life, Pham Anh Tuan, President and CEO of Vietnam Post, Do Ngoc Binh, Chairman of Vietnam Post, and President Ishii of Japan Post Insurance

Existing alliance partners



Mizuho Financial Group

In our comprehensive business alliance with Mizuho Financial Group, Inc., we operate a joint venture such as DIAM Co., Ltd., one of Japan's largest asset management companies, in the area of asset management. In the bancassurance business, we sell the products of Dai-ichi Frontier Life and Neo First Life at banks and securities companies affiliated with Mizuho Financial Group.



Sompo Japan Nipponkoa Insurance

In our comprehensive business alliance with Sompo Japan Nipponkoa, we sell their products such as auto insurance in the non-life insurance area, while agents of Sompo Japan Nipponkoa sell Dai-ichi Life products (First Sector, or death protection products) in the life insurance area, with the aim of forming the "strongest and most comprehensive life and non-life insurance group."

We are committed to forging powerful partnerships between the Dai-ichi Life Group and its business partners, in order to make our operations more competitive in domestic and overseas markets.

We have concluded an alliance agreement designed to strengthen our business base by mutually complementing and merge the accumulated strengths of Dai-ichi Life and Japan Post Insurance who share the same standing as “listed life insurance company.” This reflects our aspiration to contribute to the development of local communities in Japan and to social and economic development in other countries. For the latter goal, we aim to help promote life insurance in these countries, improving the quality of life insurance products and services by harnessing the know-how of both companies.

At the moment, we are moving ahead with our efforts in three collaborative areas: the domestic life insurance business, the asset management business and the overseas life insurance business.

● Three pillars of the alliance

Joint studies on the domestic life insurance business (development of new products and IT area)

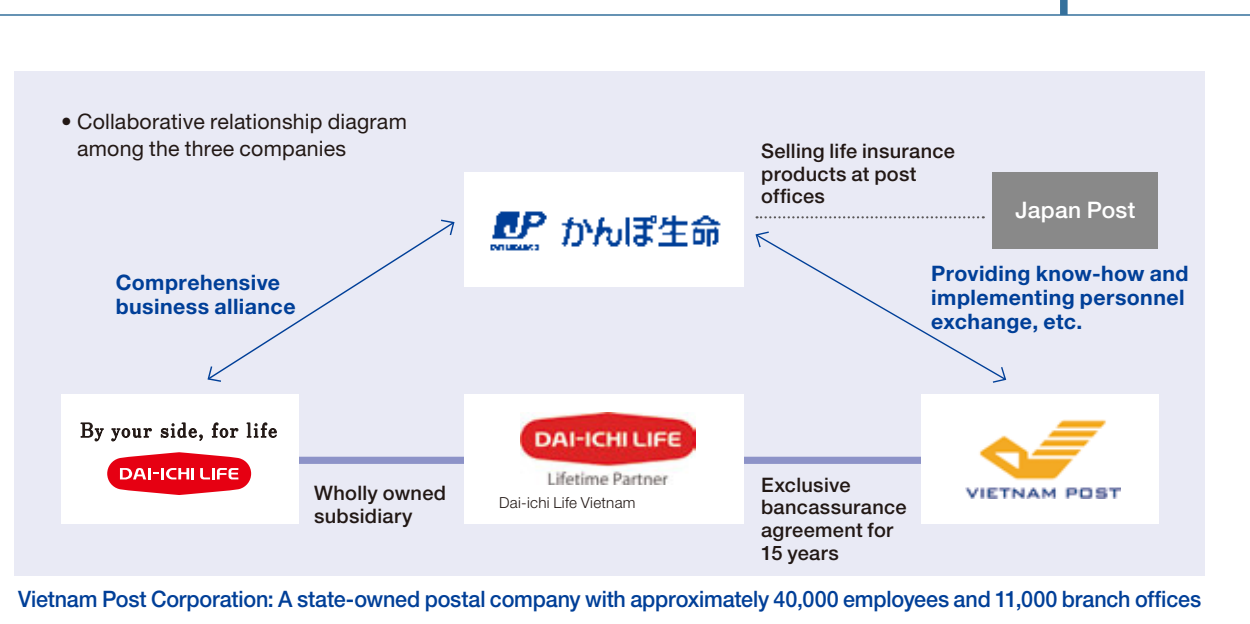
Undertaking joint studies on new product development and IT, aiming to achieve new growth, improve services and reduce costs in the domestic life insurance business of Dai-ichi Life and Japan Post Insurance.

Cooperation in the asset management business

Cooperation in the diversification and sophistication of asset management tools. Undertaking asset management using DIAM and Janus while making a joint investment in growth areas.

Cooperation in the overseas life insurance business

Providing the know-how of Japan Post Insurance to support the sales of the life insurance products of Dai-ichi Life Vietnam at Vietnam Post.



AFLAC

In our business alliance with AFLAC, we seek to form the ‘strongest partnership in the First and Third Sectors (death protection insurance and medical insurance)’ as an equal partner, leveraging the strengths of both companies while maintaining their distinctiveness. In cancer insurance we sell AFLAC’s products.



Resona Holdings

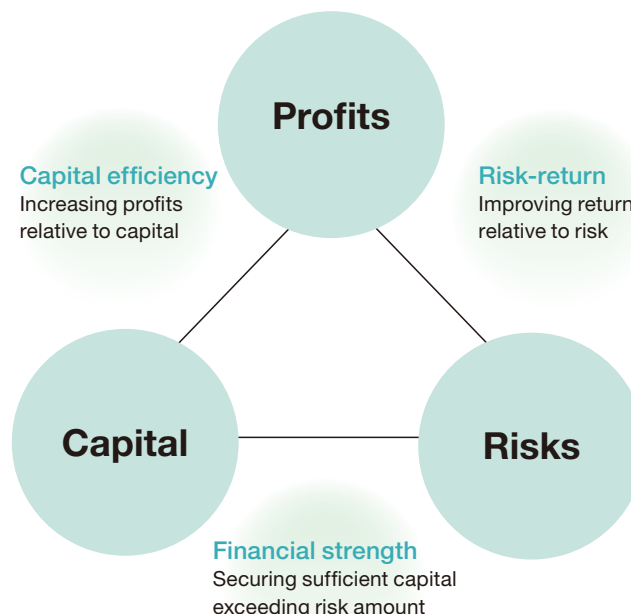
In our business alliance with Resona Holdings, we plan to strengthen the competitiveness of both companies to meet the increasingly sophisticated and diversified needs of our customers in the insurance area. As part of our bancassurance business, we sell products of Dai-ichi Frontier Life and Neo First Life at banks affiliated with Resona Holdings.

Basic Strategy

The Dai-ichi Life 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 strength by appropriately controlling risk.

At present, new capital regulations for global insurance companies are being debated. In consideration of the trend of these capital regulations, among other factors, the Group will further improve its financial strength on a Group-wide basis through its efforts in ERM.

Relationship Between Profits, Capital, and Risks



Review of operations for fiscal 2015

In fiscal 2015 the Group endeavored to increase capital levels mainly by accumulating profits through business activities. In October 2015, the Group prepaid the whole of its perpetual subordinated borrowings and refinanced with new, perpetual subordinated borrowings, in order to ensure a stable capital base. We also have accumulated additional policy reserves (*) with a view to reducing the assumed rate of return in the future and further improving our financial strength.

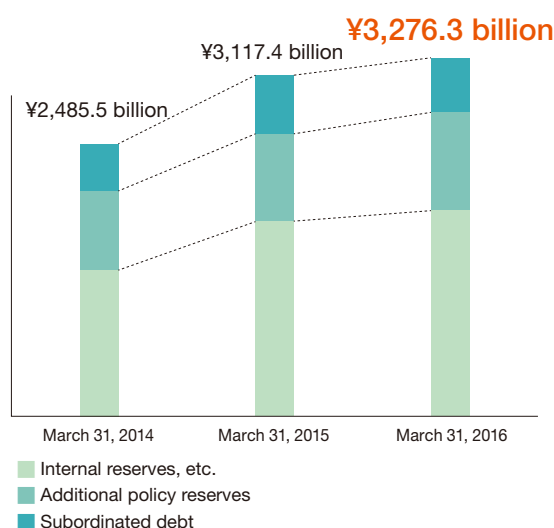
Moreover, in the recent domestic environment of significantly lower interest rates in association with the Bank of Japan's negative interest rate policy, the Group sought to strengthen its control over asset management risk while considering and implementing price revisions for some of its insurance products.

Meanwhile, the Group endeavored to increase profits and improve capital efficiency through disciplined capital allocation in growth areas, including carefully selected acquisitions, while

further enhancing its financial stability.

By turning these initiatives to an adequate return, the Group aims to live up to the expectations of all of our stakeholders.

Breakdown of Capital (for Dai-ichi Life on a non-consolidated basis)



*Policy reserves are established for the fulfillment of insurance claims and other payments related to the Company's outstanding policies that are expected to be paid in the future. An insurance companies calculate an amount of policy reserves using an assumed amount of investment return in advance (assumed rate of return), in addition to insurance premiums, and is required to secure the assumed rate of return from its actual investment returns. If an insurance company expects a lower assumed rate of return, it will need to accumulate more policy reserves. Accumulating a larger amount by additionally accumulating policy reserves (additional policy reserves) lightens the assumed interest in the future. The Company accumulates additional policy reserves for some whole life insurance policies with heavy burdens of assumed interest, but our intensive accumulation schedule terminated in fiscal 2015.

Basic Strategy

We have continued to implement initiatives in growth sectors as part of our domestic life insurance, overseas life insurance and asset management businesses. As a result, our subsidiaries and affiliates have continued to grow in scale and number, making group management more essential than ever. That is why we established our Group Management Headquarters

in 2012, as the ideal means of accelerating growth and reinforcing group management, whilst ensuring management efficiency and maintaining a sense of speed*. In recent years, we have sought to enhance the corporate value of the Group by strengthening Group management framework.

*See page 88 for an overview of the Company's business management framework.

Future initiatives

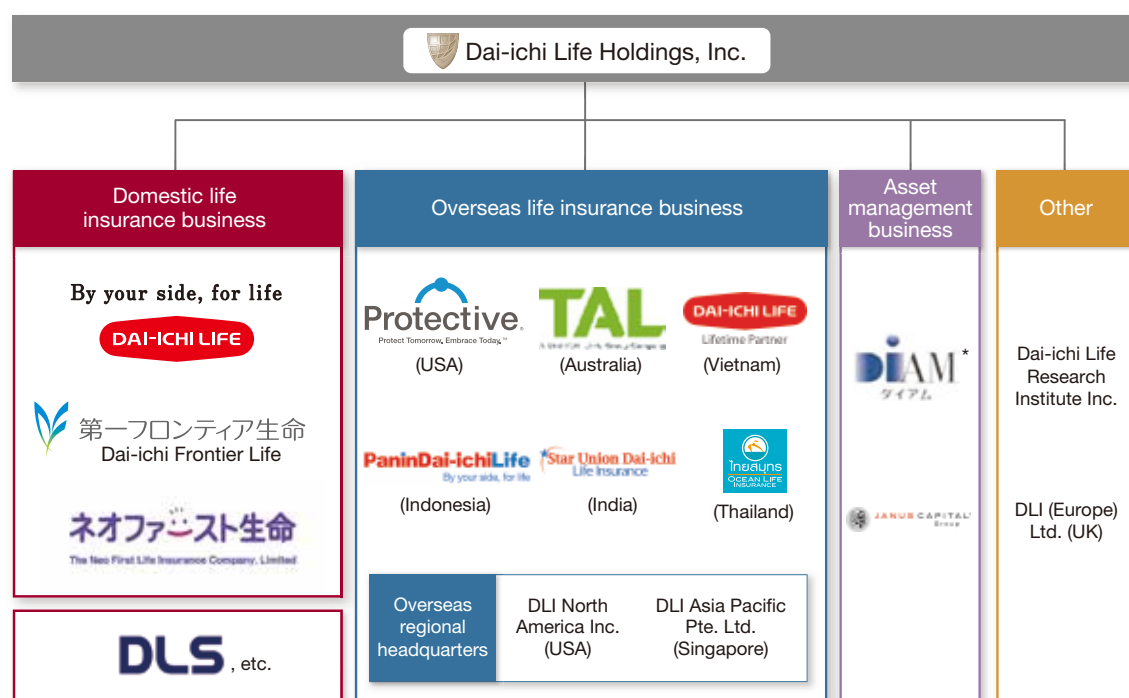
We have focused on a growth strategy designed to increase our share of the domestic life insurance market, and on initiatives aimed at accelerating overseas life insurance business expansion and bringing in a greater contribution to profits, all of which has accelerated our multi-layered structure comprising both domestic and overseas companies. Taking into account the current environment and issues we are facing, we intend to shift to a holding company in October 2016*. We are also aiming to (1) flexibly allocate management resources on a groupwide basis, (2) establish a governance structure to help speed up the decision making process at affiliated companies, and (3) fundamentally reform our group management style. This will enable us to further accelerate initiatives geared towards

*The transition to the holding company structure will be made on the condition of receiving permits and approvals from the authorities.

sustainable growth as a group.

To further strengthen our supervisory function, focusing on the supervision of more diversified Group companies under a multi-layer business structure, we will make the holding company a company with an audit and supervisory committee. The holding company needs to develop important strategies for the Group and administer Group companies. By making the holding company a company with an audit and supervisory committee, we will further strengthen our governance through such means as balancing appropriate management decisions with the maintenance and improvement of management transparency and objectivity, strengthening the directors oversight function, and accelerating decision-making.

Group structure after shifting to the holding company structure



*To become Asset Management One Co., Ltd. as a result of an integration on October 1, 2016.

Basic policy

Believing that accepting each other's differences "diversity and inclusion" (D&I), is the foundation for sustainable growth therefore we encourage a diverse range of people to play a key role, regardless of nationality, gender, disability or lifestyle.

Especially we understand there is a growing need to create a comfortable working environment friendly to all of our employees, regardless of any disability, to achieve normalization, as well as to reinforce the pipeline up to female managerial positions.*

We also consider it essential to advance our initiative to develop global human capital as we expand overseas, and to step up initiatives aimed at extending employees' life expectancy as healthy individuals.

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



Review of operations for fiscal 2015

Especially to promote the achievements of female employees, we work to raise awareness of female employees and to improve our training system. We also consider it the social responsibility of a corporate citizen, to provide a wide range of employment opportunities. We have therefore been working to actively recruit people with disabilities and create a comfortable working environment.

We organize Global Management Conferences,

as one of our initiatives to make us more globally competitive, to create an opportunity for communication and training for domestic and overseas executives.

We have always continued to promote health, in management as well as in individual workplaces, through initiatives such as clarification of our management philosophy regarding health and the establishment of an organizational structure that helps promote health management.

女性が輝く 先進企業 2015

Selected as the fiscal 2015 "Leading Corporation Where Women Can Shine" by the Cabinet Office and received the Minister of State for Special Missions Award

It commends companies with outstanding achievements in their policies, efforts and results of promoting women to managerial positions.



Granted "Platinum Kurumin" by the Minister of Health, Labour and Welfare

This is the highest certification of the Japanese government granted to companies that support childcare.



Received the Grand Prize of Advanced Corporate Awards, J-Win Diversity Award 2016

It commends advanced companies that promote D&I and consistently develop female leaders.



Certified as an excellent company in employing intellectually challenged individuals, etc. (Dai-ichi Life Challenged Co., Ltd.)

A project carried out on behalf of the Ministry of Health, Labour and Welfare to promote efforts to employ intellectually challenged individuals

Group Human Capital Strategy

Global Diversity

With the aim of enhancing the international competitiveness of the whole Group we are recruiting foreign students studying in Japan. In addition, we are conducting exchange and development programs to develop global human capital. Specific initiatives include encouraging overseas trainees and overseas study, as well as programs in which we invite foreign native speakers and help younger employees to improve language skills and cultural understanding.

We are also moving ahead with efforts to improve the value of the human capital of the Group. Meanwhile, we are fostering a climate to create synergies by promoting mutual understanding among senior officers and employees through short-term training for employees of overseas Group companies in Japan and lectures by managers of overseas Group companies.



Speech by John Johns, Chairman and CEO of Protective Life, given in Japan

Voice

Aiming to take center stage
in a challenging global position

Partly inspired by my father, who worked at a non-life insurance company, I was interested to learn more about the mature life insurance market in Japan. I was then drawn to Dai-ichi Life as a global company expanding its global footprint, and was convinced that I could gain as much as I can contribute by actively partaking as an international talent in the company. Upon joining, I was assigned to the International Credit Group, where I perform surveys and analyses on international companies for investment purposes, covering the Energy and Food & Beverage sectors. I feel a great sense of fulfillment in my job being granted the opportunity to work with senior colleagues who have rich international experience, and to know that my performance directly contributes to the company's investment profitability. In the future, I aim to sharpen the skills acquired from my current responsibility and to raise the bar for myself in a more challenging global investment-related role.

Phuan Jo Anne, Associate, International Credit Group, Credit Dept.

LGBT^(*) friendly

Dai-ichi Life articulates its respect for basic human rights in the Dai-ichi Life Human Rights Declaration and is pursuing initiatives to become a LGBT-friendly company as part of its efforts to promote diversity & inclusion. For details, please see "Efforts to Become a LGBT-Friendly Company" (http://www.dai-ichi-life.co.jp/company/news/pdf/2015_064.pdf- Japanese) released on November 5, 2015.

* "LGBT" is a term formed from an abbreviation of the following words.
Lesbian: Homosexual female
Gay: Homosexual male
Bisexual: Persons who prefer both sexes
Transgender: Persons whose self-identity does not match their physical gender (including gender identity disorder)



Participated in the Tokyo Rainbow Pride Parade.

Promoting the Achievements of Female Employees

Promoting the Achievements of Female Employees

We are making efforts to encourage female employees, who account for a large share of our employees. For instance, officers are striving to cultivate female mentors and sponsors. Moreover, our female executive officers and managers are playing an important role in developing female candidates for managers.

As a result, the Company appointed its second female executive officer on April 1, 2016, and the number of females in managerial positions (Senior General Managers, Special General Managers, General Managers) in the domestic life insurance group* reached 30, increasing by 20% compared with the previous year.

In its Medium-Term Management Plan (fiscal 2015-fiscal 2017), Dai-ichi Life aims to raise the percentage of females in managerial positions to

more than 25% by April 2018, and to more than 30% by the early 2020s.



President Coaching Course

Percentage of females in managerial positions and the number of females in managerial positions (as of April 1 each year)

	Fiscal 2014	Fiscal 2015*	Fiscal 2016*
Percentage of females in managerial positions	18.4%	22.5%	23.3%
Number of females in managerial positions	667	808	836

*Sum of the domestic life insurance group (Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life)

Promoting Work-Life Balance

The Group is working on promoting work-life balance, creating a family-friendly system (measures to support the balancing of work and family) and work style innovations as its two main objectives. The ratio of male employees taking childcare leave was 85.5% in fiscal year 2015, much higher than the 56% recorded in the previous fiscal year. The average overtime hours worked at the Company is also at a level slightly less than 40% of the financial and insurance industries' average.



Encouraging male employees to take childcare leave

Voice



With an excellent team

I am working with my excellent team as manager of a Dai-ichi Life insurance shop, feeling the excitement and challenge of sales activities every day. My creed is to conduct myself pleasantly and cheerfully with a smile and passion. I aim to manage my team so that it will take things positively, never give up no matter how difficult the situation becomes. Work at the Dai-ichi Life insurance shop is very appealing, because we are involved directly in the satisfaction of customers. So I want as many junior colleagues as possible to experience the joy of working in an insurance shop. At home, three growing children (a second-year high school student, a second-year junior high school student and a fifth-grade elementary school student) provide me with additional motivation for my work. I will strive to create an insurance shop that will continue to be trusted and selected by customers, by creating a work environment where every employee is able to enjoy an active role.

Naoko Kuhara, General Manager, Customer Service Dept.

Promoting Achievements of Employees with Disabilities

The Group actively recruits people with disabilities and develops an accommodating work environment for them. As of June 2016, the ratio of employees with disabilities was 2.23%, and 946 employees are working across the country. Dai-ichi Life Challenged Co., Ltd., one of the Group companies, provides primarily people with intellectual or mental disabilities with a wide range of jobs such as cleaning, printing, and cafeteria operations at multiple workplaces.

We also encourage our employees to acquire professional qualifications that will help improve the quality of our operations, regardless of whether they have a disability or not. Among the employees who engage in cafeteria operations, some have acquired the barista qualification and utilize those skills in their work. In March 2016, some employees also acquired the qualification of building cleaning specialist, a national qualification in the area of janitorial services.

Initiatives for employees with disabilities

Example of initiatives for customers

Setting up guide plates, communication boards and foldable slopes at Dai-ichi Life insurance shops and others (in stages)

Example of initiatives for employees

Prepared a system for consultation on work-related concerns and issues by providing a consultation service for employees with disabilities



Barista qualification



Building cleaning specialist

Voice



Making improvements in a culture of recognizing and relying on each other.

I joined Dai-ichi Life Challenged Co., Ltd., hoping to try something new. After changing jobs, I steadily became more confident because I received praise at Dai-ichi Life Challenged for doing things that in the past had been taken for granted. Work requiring judgment has also gradually been delegated to me. As I interact with my colleagues and teach my junior colleagues new tasks, I have gained confidence in communicating with other people, something I was not good at, in the past. Although I sometimes encountered obstacles, I was able to make improvements step by step, thanks to the people around me who recognized my good points. In April, I was promoted to a leader and I am now in charge of a team in the documents forwarding group. In my private life, I am married and blessed with two children. I want to continue to proactively take on new challenges as a father who can be proud of himself for his children.

Satoshi Tsunoda, Leader of the documents forwarding group, Tabata Business Division, Dai-ichi Life Challenged Co., Ltd.

Promoting Employee Health

Promoting Employee Health

The Dai-ichi Life Group views promoting health as an important management matter so that each one of our officers and employees need to have a strong interest in health and medical issues, so as to respond to customers' desire to lead healthy lives.

In 2013, the Company was recognized for excellence by the Director of Health Service Bureau, Ministry of Health, Labour and Welfare in the "2nd Smart Life Project Award (Let's extend healthy life expectancy!)" organized by the Ministry of Health, Labour and Welfare. In 2015, it was jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a Company Enhancing Corporate Value through Health and Productivity Management.

Comprehensive medical examination

Thanks to our efforts to prevent the aggravation of illness, for instance by recommending additional medical examinations after regular medical checkups and providing full support for special checkups and special health guidance sessions in response to metabolic syndrome, the prevalence of abnormal findings* discovered during regular medical checkups of employees has steadily dropped since such initiatives began. This represents a steady improvement in the health of our employees.

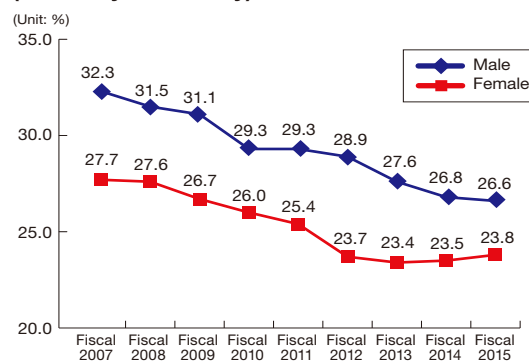
* Prevalence of abnormal findings: The numbers of people identified as "requiring consultations," "requiring detailed testing" or "undergoing treatment," divided by the total number of people undergoing medical checkups.

Initiatives to improve life habits

Based on the recognition that daily exercise is essential for a healthy life, we have begun encouraging our employees and their family members to take up walking. We have built a system for them to participate in about 300 events across Japan, through means such as sponsorship of the four major events, including Japan 3-Day March, the Japan's largest walking event.



Prevalence of Abnormal Findings by Gender (Statutory Items Only)



Japan 3-Day March in November 2015

Voice

From a position of being cheered to a position of cheering for the health of employees

I have been a competitive long-distance runner since my school days. Because I wanted to improve as an amateur athlete even after graduation, I joined Dai-ichi Life's Women's Athletics Team. This team had a female coach, something that is rare.

I have now ended my nine-year career as an amateur athlete and am working in a job related to the health of our employees, taking advantage of my athletics experience.

The Company has been working with the health insurance association to promote walking, and has been taking additional measures since fiscal 2015.

Because I incorporated walking into my training when I was an athlete, I want to spread the fascination of walking based on my experience. Now that I have moved from a position of being cheered to one of cheering for the health of employees, I will pursue our initiatives for the healthy and happy life of employees and their families.

Misaki Katsumata, Associate, Health Improvement Center, Human Resources Dept.
(Former member of the Women's Athletics Team)



For Stakeholders

Initiatives for Stakeholders



Initiatives for Customers

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Assessment of the Dai-ichi Life Group by Society and Major Awards Received

Initiatives for Customers



Based on its management philosophy of “Customer First” that it has followed since its founding, the Dai-ichi Life Group provides services from the customer’s perspective, so that life insurance policyholders and their family members are able to use their insurance quickly and with peace of mind in times of emergency. Also from the perspective of complementing the social security system, the Group is striving to address social issues through its core business by taking steps to support the health of its customers.

Payment of Insurance Claims and Benefits and Pursuit of Security and Peace of Mind

Dai-ichi Life is endeavoring to handle insurance procedures from a customer-based perspective, and to make accurate and equitable payments by ensuring that all officers and employees understand that the role of insurance is fulfilled at the very moment when customers receive their insurance claims and benefits. To even better fulfill the primary role of insurance, we have established a support system to increase convenience for customers when they make a request for insurance claims and benefits and to enable them to receive their claims and benefits quickly and reliably. We are also striving to be more helpful for customers by enhancing the information we provide and the consulting services we offer on the social security system and tax matters.

Status of the Payment of Insurance Claims and Benefits

■ Insurance claims and benefits paid in fiscal 2015 (for Dai-ichi Life on a non-consolidated basis)

Death, disability and specified disease insurance claims, etc.	¥434.7 billion
Hospital expenses and surgical insurance benefits, etc.	¥126.0 billion
Maturity proceeds, living benefits, and annuities, etc.	¥1,122.2 billion
Total	¥1,682.9 billion
[Sum of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life]	¥1,770.5 billion

■ Status of claims and benefit payments in fiscal 2015 (for Dai-ichi Life on a non-consolidated basis)

	Total	Claims for death, disability and specified disease insurance, etc.	Benefits for hospital expenses and surgical insurance, etc.
Number of cases in which payments were made	1,158,628	87,640	1,070,988
Number of cases in which payments were not made	39,110	3,689	35,421
Cases that don't meet payment requirements*1	37,532	3,237	34,295
Cancellations due to violations of the duty to disclose*2	1,028	116	912
Cases that fall under immunity grounds*3	541	336	205
Others	9	0	9

Note: These figures do not include maturity proceeds and living benefits, etc.

*1: These were cases that did not meet the payment requirements prescribed in our policy provisions, such as cases that were not eligible for surgery, or cases involving the onset of disease before the policy went into effect.

*2: As the policyholder or the insured did not disclose important facts that must be declared when subscribing to the policy, either intentionally or through gross negligence, the insurance policy was cancelled. If a refund is due based on calculations at the time of cancellation, this will be paid.

*3: As there was a case that constitutes grounds for immunity under the policy provisions, such as the insured committing suicide within the specified period or the policyholder or insured, either intentionally or through gross negligence, having an accident, insurance claims and benefits were not paid.

Initiatives for Customers

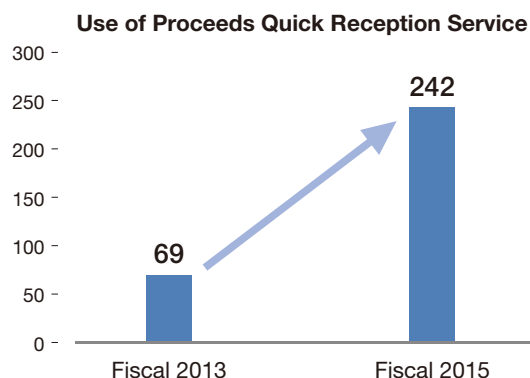
Services for the Reception of Insurance Claims and Benefits

■ Initiatives for customers to receive their insurance claims and benefits faster

We offer the Proceeds Quick Reception Service in response to circumstances, so that customers can receive death proceeds on the day they carry out the request procedures, if they urgently need to pay funeral and other expenses when a loved one passes away.

We also provide a service in which customers are able to make a request with proof of death registration* instead of with a residence certificate, etc.

* This is a document that proves death registration, and in some cases customers may be able to receive a death benefit more smoothly than by using a residence certificate.

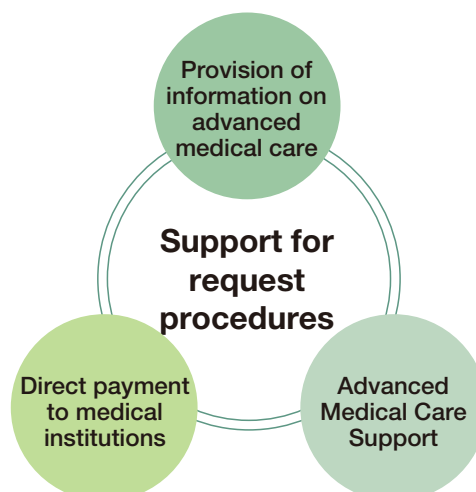


(Note) This service was introduced in November 2012.

■ Assistance with insurance procedures in keeping with customers' circumstances

We have introduced the Proxy Request System for exceptional circumstances in which the claimant is unable to request the payment of insurance claims and benefits. In addition, we have introduced the Adult Guardianship Support as a service for introducing as an intermediary a judicial scrivener who can provide legal support for a customer who is unable to use the Proxy Request System and who needs the appointment of an adult guardian.

Since July 2015, we have been providing the "Advanced Medical Care Support," making it easier for customers to be able to receive advanced medical care. With this service, we provide comprehensive support, including the acquisition of information before accessing advanced medical care, assistance with procedures, and direct payment of advanced medical expense benefits for expensive heavy particle radiotherapy and proton radiation therapy to medical institutions.



■ Development of a framework for accurate and courteous guidance

Requests for insurance claims and benefits, etc. are received by Total Life Plan Designers and at Dai-ichi Life Insurance Shops, as well as at the Dai-ichi Life Contact Center (except for national holidays and the year-end and New Year holidays). At the Contact Center, we provide customers with courteous guidance to meet their needs, including responses by specialists in the payment department and a dedicated dial-up (toll-free) number set up for senior customers.

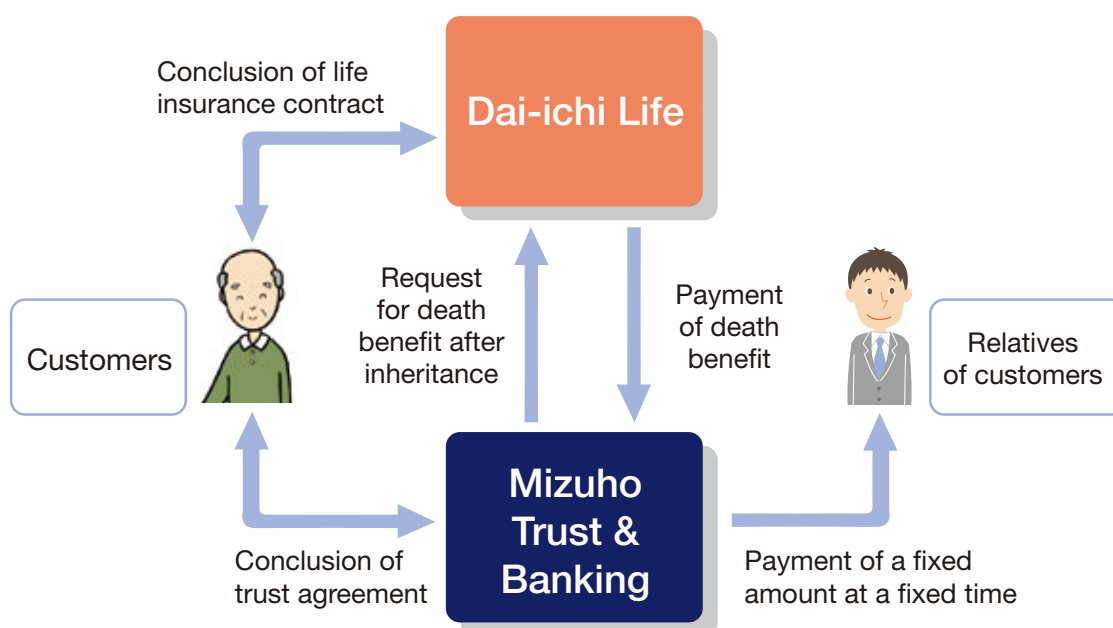
■ Building of a mechanism to facilitate insurance requests

Instead of having to submit a medical certificate, we have been the first in the industry to offer other means for customers to request benefits, such as submitting reports that they can fill out themselves and copies of receipts, to better meet customers' insurance requests.

■ Reception of insurance claims and benefits, using a life insurance trust

To ensure that we meet needs for insurance bequests, the Company provides Omoi no Teikibin (regular time payment service of death benefit), a trust product we developed jointly with Mizuho Trust & Banking, as a trust contract agent for Mizuho Trust & Banking.

In the life insurance trust, the policyholder customizes the use of his/her death benefit before his/her death, and a trust bank receives the death benefit when the policyholder dies and pays it to a person nominated by the customer (policyholder) with agreed specifics.



Improved Explanation Regarding the Reception of Insurance Claims and Benefits

For any inquiries pertaining to the nature of insurance claims and benefits to be received, our Company will explain the details in a courteous and easy-to-understand manner through a dedicated dial-up (toll-free) number.

Our Company has organized a system for specialists in the payment department to provide explanations directly at the Payment Inquiry Counter if customers are unclear on any points, in cases where they are not eligible to receive insurance claims and benefits.

If customers aren't satisfied with the explanation, they can go to the Dispute Counter, which is operated by a different department from the payment department, use the Outside Lawyer Consultation System run by outside lawyers, or go before the Payment Examination Committee in which three outside persons, including a lawyer, a doctor and a consumer affairs expert, examine the payment assessment result.

Voice



We need to think sincerely about what customers are requesting especially when we pay insurance claims and benefits. The process of trial and error to determine the value we can provide when we make a payment has led to the development of a range of services. We received the following feedback from a customer who had actually used the Proceeds Quick Reception Service: "We were able to have an ordinary funeral without concern as we were able to receive the insurance proceeds early." Hearing this, we realized how significant this kind of service was. We will continue our efforts to develop services through which customers can realize the benefit of "purchasing an insurance of Dai-ichi Life."

Sayoko Takatsu, Senior Assistant Manager, Planning and Education Group, Claims Department

Initiatives for Customers

Daily Communication and Pursuit of Security and Peace of Mind

We recognize that because life insurance is preparation for times of emergency, it is essential for customers who have purchased the insurance to be able to complete the necessary procedures without delay. For this reason, we seek to expand daily contact points with customers and offer courteous communication from the customer's perspective.

Periodical Insurance Information Checks

Our Total Life Plan Report informs policyholders of the details of their policies and the performance of the Company each year. We conduct Periodical Insurance Information Checks in which Total Life Plan Designers visit customers directly once a year to coincide with the arrival of the Total Life Plan Report, to provide guidance on three checks (checking of the contents of policies, checking of causes for payments and payment history, and checking of registered information) and services. Through these activities, we strive to be able to complete the necessary procedures without delay in times of emergency.



(Note) Encouragement of application for Policy Content Guidance System through Periodical Insurance Information Checks

The Company encourages customers to apply for the Policy Content Guidance System, a framework for responding quickly to inquiries from persons other than policyholders through Periodical Insurance Information Checks. Using this system, we will be able to respond more smoothly to inquiries about policy contents, procedures for insurance claims and benefits, and the information needed to maintain policies, etc., something that we were unable to receive from persons other than policyholders in the past.

This is a system to ensure that insurance claims and benefits are received in times of emergency by encouraging persons other than policyholders to be regularly updated on policy content and relevant procedures.

Response to the Kumamoto Earthquakes

After the Kumamoto Earthquakes occurred, Total Life Plan Designers visited policyholders or expressed sympathy by phone and other means to give guidance on procedures for insurance claims and benefits. We also supported customers using the strength of our face-to-face channel in ways such as delivering relief supplies.



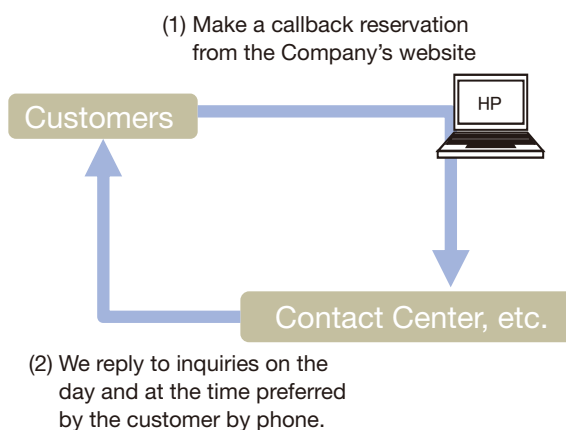
Initiatives to expand contact points with customers at our Contact Center

■ Callback reservation for inquiries and procedures

We provide a callback reservation service for customers who can make contact only at certain times as they are busy at work, on our website 24 hours/day, 365 days/year (excluding times when systems are undergoing maintenance).

We are able to respond more smoothly to inquiries and provide guidance on procedures by calling customers from the Contact Center, etc. on the day and at the time preferred by customers.

In June 2016, we initiated a service to send a URL showing a callback reservation by using SMS (short message service) when we receive a call from customers after business hours.



Use of callback reservation

	Insurance claims and benefits	Other procedures
Fiscal 2014 ^{*1}	161	878
Fiscal 2015	431	1,042
Fiscal 2016 ^{*2}	61	122
Total	653	2,042

^{*1}: For fiscal 2014, the number of cases from September 2014 to March 2015

^{*2}: For fiscal 2016, the number of cases from April 2016 to May 2016

■ Dedicated dial-up (toll-free) number for senior customers

Because elderly customers often feel uncomfortable communicating by phone or find it inconvenient, a more courteous response will be necessary. For this reason, the Company has set up a dedicated dial-up (toll-free) number for senior customers aged 70 or older (0120-085-085). In this service, the telephone call goes through directly to a communicator who responds to their inquiries slowly and in a way that is easy to understand.

Reception of dedicated dial-up (toll-free) number for senior customers

	Dedicated dial-up (toll-free) number for senior customers
Fiscal 2014 ^{*3}	1,332
Fiscal 2015	38,347
Fiscal 2016 ^{*4}	4,997
Total	44,676

^{*3}: For fiscal 2014, the number of cases from December 17, 2014 to March 2015

^{*4}: For fiscal 2016, the number of cases from April 2016 to May 2016



Initiatives for Customers

Complete Health Support

Because Japan faces a super-aging society, reducing social insurance expenses is the country's top priority. Given this issue, the Dai-ichi Life Group is taking steps to support the health of its customers through its core business, while increasing the knowledge of employees about health. We seek to extend healthy life expectancy by raising their health awareness and ultimately contributing to the resolution of the national issue. Through these efforts, we aim to enhance the corporate value of the Group.

Initiatives for customer health

Expanding health, medical and nursing care services provided to customers

Information provision and educational activities in cooperation with professional medical organizations and local governments

Expanding knowledge and information provision through employee education

Providing health, medical and nursing care services

We provide a service to provide advice and information on health, child care, and nursing care for our customers via telephone and online 24 hours/day, 365 days/year. Through this service, we try to ease customers' anxieties arising from their daily life, using the Company's information and networks. Since December 2014, we have been providing more enhanced services for senior customers. For example, we provide a service in which special counseling staff give advice to elderly customers who have anxiety about disclosure and end-of-life care (palliative care). We also hold events and seminars for senior citizens mainly in large cities about inheritances and public pensions.

We also conduct a fact-finding survey on welfare programs to about 1,300 corporate customers (approximately 150% of the previous year) and provide information on the survey results.

要介護認定や介護施設
について相談
したいんだけど...

女性の専門医に
体調を相談
したいんだけど...

セカンド
オピニオン
について相談
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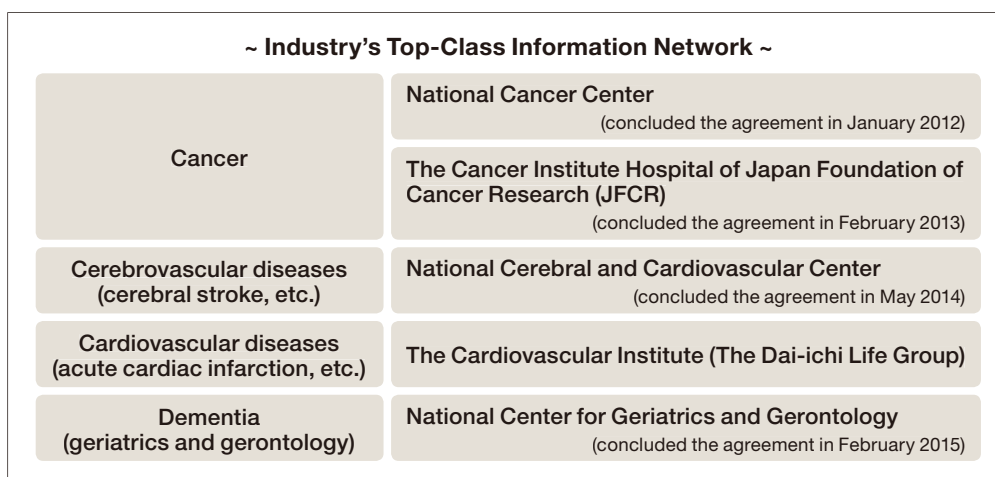
(Registered) C16P0205 (2016.7.8) ⑤

Information provision in cooperation with professional medical organizations and local governments

Our staff provide customers across the country with the latest health and medical information by concluding an agreement with professional medical organizations and the local governments of 41 prefectures (as of June 2016). Local governments have their own problems such as the low consultation rate of cancer examination and the high mortality rate from the three major illnesses. Responding to these issues, we hold educational seminars and provide preventive and educational tools to people in local communities in cooperation with professional medical organizations. In the previous fiscal year, we held 384 seminars and provided information to some 33,000 people nationwide.



Educational activities in cooperation with local governments



(Note) See page 67 for details of our initiatives related to cooperation with local governments.

Increasing the knowledge of our staff through education

To provide useful support to customers for their health and to eliminate customer anxieties about daily life, our staff themselves need to have acquired knowledge on improving health. For this reason, we try to supplement the knowledge of our staff through seminars held for some 40,000 Total Life Plan Designers across the nation.

Close up

Initiatives for new health support using ICT technology

The Dai-ichi Life Group has introduced to its life insurance products that provide an incentive for better health, such as the medical insurance of Neo First Life to which a discount for non-smokers is applied.

In fall 2016, we plan to begin accumulating health-related data by distributing a wearable device to our staff. We aim to develop new products and services that will provide an incentive for better health by analyzing various health-related data.



Wearable device

Initiatives for Customers

Initiative to Utilize Customer Feedback for Our Management

We collect feedback from a wide range of customers. We regard the expression of customer dissatisfaction with our insurance products, our sales activities, the attitude and manners of our staff, and our administrative work and systems as customer complaints. Expressions of gratitude or compliments about our sales activities, the responses of our staff, and our administrative procedures are regarded as positive feedback. We also regard the opinions and requests of customers as proposals, short of complaints, for improving our business.

We believe that customers' voices are vital for improving our corporate management and operational processes.

Initiatives to Utilize Customer Feedback

We have built a system to incorporate the customer feedback we receive from all over Japan into the way we manage our company.

■ Establishment of Advisory Committee for Business Quality

We have established the Advisory Committee for Business Quality as an advisory board to the Quality Assurance Promotion Special Committee for receiving opinions from a consumer-based perspective.



Scene from the Advisory Committee for Business Quality

■ Operation of Consumer Focus Group

We have been operating the Consumer Focus Group since 1984. We receive opinions on our products and services through roundtable conferences in major cities around the country and reflect them in improvements made to our business operations.



Scene from the exchange of opinions with the inclusion of consumer monitors

■ Holding of roundtable conference with customers

We routinely hold roundtable conferences with customers at our branch offices around the country and listen directly to opinions and requests from customers in order to improve our products and services.



Scene from the roundtable conference with customers

■ Implementation of customer satisfaction survey

Each year, we calculate customer satisfaction as an indicator to measure the degree to which we are attaining our goal of Maximize Customer Satisfaction, as set forth in our basic management policy.

We include the overall satisfaction level of customers as one of the goals in our medium-term management plan. We reflect the survey results in initiatives conducted by the Company and use them for initiatives of the Quality Assurance Promotion Special Committee and other organizations to improve customer satisfaction. Survey results are also reported to the Executive Management Board and the Board of Directors.

Customer Feedback (gratitude, complaints, opinions and requests)

Customer feedback received in fiscal 2015

Classification of customer feedback	Number of customer feedbacks	Share
Customer feedback	436,005	100.0%
Gratitude	385,930	88.5%
Complaints	46,929	10.8%
Complaints about procedures after purchasing a policy	12,759	2.9%
Complaints about payments of insurance claims and benefits	6,720	1.5%
Complaints about the purchase of insurance policies	4,553	1.0%
Complaints about the transfer of premiums	2,831	0.6%
Others	20,066	4.6%
Opinions and requests	3,146	0.7%

Examples of improvements made from customer feedback

	Inconvenient and dissatisfactory issues for customers	Remedial measures and their results
At the time of receipt	I want to receive insurance claims and benefits much earlier.	Although in the past it took one to three business days to transmit insurance claims and benefits from the Company to the bank accounts designated by customers, following a revision to administrative processing for remittances, including system changes, they can now be delivered on the same day in the fastest cases (June 2014).
	I want to take expensive advanced medical care with greater peace of mind.	We began to provide the “Advanced Medical Care Support” comprehensive support, including the acquisition of information before accessing advanced medical care, assistance with procedures, and direct payment of advanced medical expense benefits for expensive heavy particle radiotherapy and proton radiation therapy to medical institutions. (July 2015)
While the policy is in effect	There should be a system that enables policy stakeholders such as the insured and beneficiaries to access information.	We have established the Policy Content Guidance System, which makes it easier to provide information on policy contents, procedures and the maintenance of policies to the insured, the beneficiaries of insurance claims and benefits and other policy stakeholders. The policyholder need only make an application to use the system, which is free of charge. (July 2015)
At the time of contract	I want to have insurance in which insurance claims and benefits will be paid to in situ breast cancer.	We launched “Lady Yell More,” a non-participating female-specific cure rider (2015) to make payments to mastectomy and breast reconstruction due to in situ breast cancer and surgery to partially remove the uterus or an ovary. (December 2015)

Initiatives for Shareholders and Investors



The Company changed its organization from a mutual company to a stock company in April 2010 and listed its shares on the First Section of the Tokyo Stock Exchange.

We are proactive in IR activities, with management taking the lead, to promote the understanding of shareholders and investors about our management strategies and efforts to create corporate value.

We will also seek to reflect their useful opinions in our management by enhancing bilateral communication.

Relationships with Shareholders and Investors

We are enhancing bilateral communications with shareholders and investors through information disclosure by holding briefing sessions and responding to their inquiries.

Investor Relations Policy

We have set out our basic approach and policy concerning investor relations as our IR policy, respecting the spirit of the Corporate Governance Code enforced in June 2015.

Through our IR activities, we disclose information on our management strategies and financial and business results in a timely and appropriate manner to shareholders, investors and securities analysts. We aim to win the confidence and appropriate evaluation from shareholders and investors by providing an accurate understanding of our management strategies, etc.

We also strive to enhance communications with shareholders and investors through briefing sessions and by responding to inquiries about our financial results. With respect to responding to inquiries, we are careful to limit our explanations only to information that has already been disclosed and facts that have already become public, to ensure that our information disclosure is fair.

We will make good use of the helpful opinions and requests we received in communications with shareholders and investors to further increase corporate value by providing them as feedback to senior management and directors through reports to the Executive Management Board and the Board of Directors.



Communications with Shareholders and Investors

The introduction of Japan's Stewardship Code in February 2014 requires an advancement in communication with investors. We also worked to enhance dialogues with shareholders and investors and, in fiscal 2015, met with more than 500 companies in Japan and overseas. We also hold conference calls on our earnings four times a year and meet with financial analysts twice a year (including Analyst Day, in which officers in charge of major departments, including Group companies in Japan and overseas, directly explain their management strategies). In addition, to provide shareholders and investors with greater insight into the Company, senior management also maintain a direct dialogue with shareholders and investors by participating in IR events for individual investors, such as the Nikkei IR Fair 2015, as well as company information sessions.



Financial analyst meeting (Analyst Day)

Initiatives for Shareholders and Investors

Shareholders' Meeting

We held our Annual General Meeting of Shareholders for the Sixth Fiscal Year on June 24, 2016 (number of shareholders attending: 2,054. Duration: 2 hours and 15 minutes). In holding the meeting, we worked to enhance communication with shareholders and improve their convenience.

For the notice of convocation, we used easy-to-understand expressions, using graphs and charts, so that shareholders would have an even better understanding of its contents. We sent the notice of convocation to shareholders well in advance (three weeks ahead) of the meeting and posted the details on our website two weeks before the mailing, a week earlier than in the previous fiscal year, in an effort to give our shareholders enough time to consider the proposals. We also sought to facilitate the exercise of voting rights by enabling shareholders to exercise their voting rights online and by participating in the platform for the electronic exercise of voting rights by institutional investors as recommended by the Tokyo Stock Exchange.

With regard to the report on business operations, we sought to facilitate shareholder understanding by looking back on the previous fiscal year with video, making full use of charts and moving pictures. The president also explained our growth strategies, the transition to the holding company structure and the significance of changes in our organizational design.

During the Q&A, we received questions about the Group's management strategies and alliances with other companies, and the president and relevant officers answered them appropriately. In doing so, we were able to enhance bilateral communication still further.

After the meeting, we actively provided shareholders and investors with information by immediately publishing on our website the report of our business operations, a video explaining our growth strategies, a summary of the minutes and the results of voting, and other information.



Annual General Meeting of Shareholders for the Sixth Fiscal Year

Voice



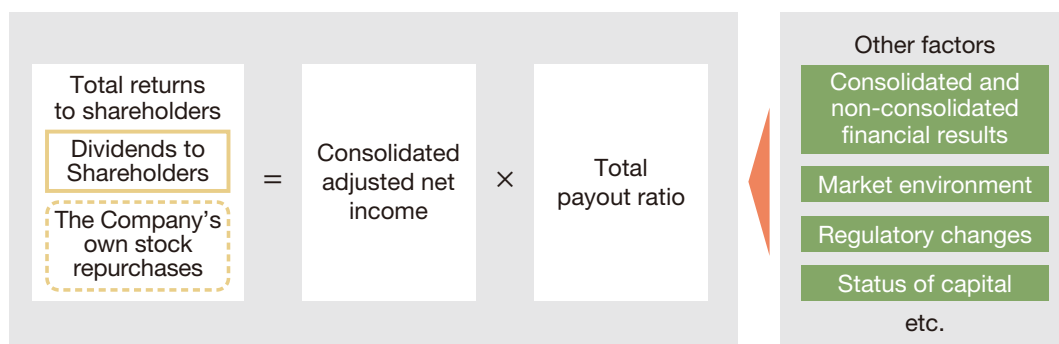
I am in charge of participating in meetings with domestic and foreign institutional investors and preparing materials for financial analyst meetings and statutory disclosure materials such as securities reports. Although there are many complex points in the accounting treatment and earnings structure of an insurance company, I try to provide accurate explanations with clear points so that more shareholders and investors will have a better understanding of our management, financial position and business performance.

Ayako Nagasawa, Senior Assistant Manager, Investor Relations Center,
Corporate Planning Department

Shareholder Returns

We regard providing stable dividends to shareholders as the basis of our shareholder returns. Specifically, we aim to increase our returns to shareholders in tandem with growth in earnings by setting as a target a total payout ratio of around 40% based on our consolidated adjusted net income during the period of “D-Ambitious,” our medium-term management plan for fiscal 2015 to fiscal 2017. Specifically, we intend to determine the dividend level each year by taking into account factors such as our consolidated and non-consolidated financial results, the market environment, and regulatory changes. We will consider the repurchase of the Company’s shares, taking into account financial results and the status of capital, etc.

The policyholders of a mutual life insurance company are owners with the rights to receive policyholder dividends. Those rights are transferred to a public company after its demutualization. Our policy for policyholder dividends is included in the Articles of Incorporation under the Insurance Business Act, so that we aim to protect the rights of policyholders related to dividends.

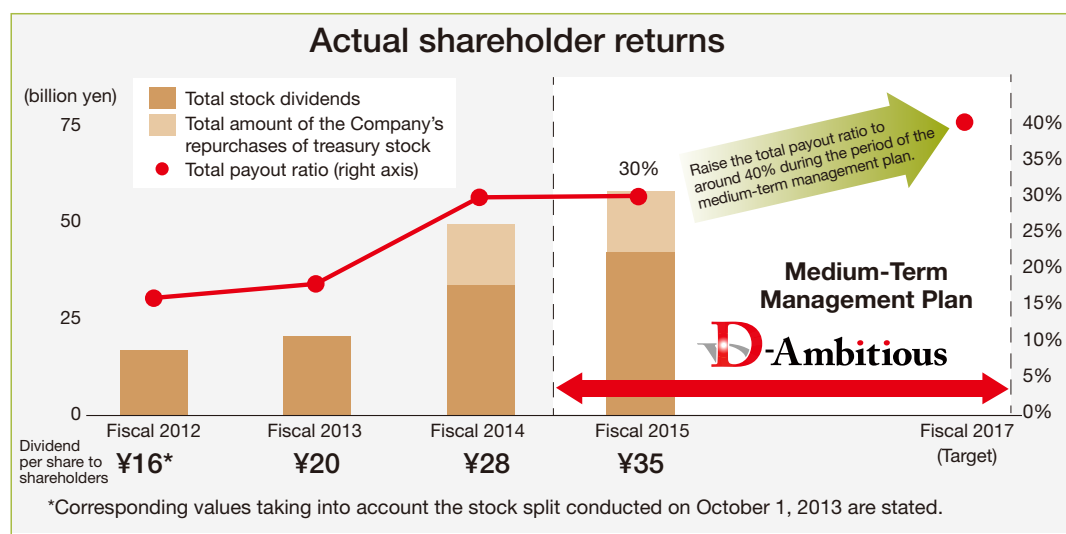


[Consolidated adjusted net income]

Consolidated adjusted net income is an indicator showing our real profitability, and is calculated by adding back to our net income attributable to shareholders of parent company items such as a provision in excess of the statutory amount (after-tax) of the provision for liability internal reserve (contingency reserve, reserve for price fluctuations).

[Total payout ratio]

Total payout ratio = (Total dividends to shareholders + Total amount of the Company’s own stock repurchases) / Consolidated adjusted net income



Social Initiatives

Three Main Themes To Work Towards Solving Social Issues

Through its life insurance business with a social and public nature, the Group strives to continuously progress with local and international communities as a good corporate citizen while helping them build a safe and comfortable lifestyle and society. Setting three themes that have close affinity with the life insurance business, the Group will work toward solving social issues by providing its own values, using know-how and resources unique to the Group.

◀ Three main themes to work on ▶



Putting the health of customers first, we will strive to extend the healthy life expectancy with initiatives linked to health, disease prevention and early detection.



To create and further develop a sustainable society, we will work on support for childcare and the raising of children who will be responsible for the next generation.



We will put effort into energy saving, resource saving, the promotion of greening and environmental investments to prevent global warming and build a recyclable society.

Promoting
HealthCreating an Affluent
Next-Generation
Society

Collaboration and Cooperation with Local Governments

Japan faces such diverse social issues that some call it a developed country with new problems. The challenges and their seriousness differ from region to region.

Dai-ichi Life is working to resolve these issues in each region, taking advantage of its strength in the form of about 1,300 offices and about 40,000 Total Life Plan Designers in all 47 prefectures. In the health area, the Company has concluded an agreement with 41 prefectures on cancer education (as of June 2016), and Total Life Plan Designers deliver health and medical information to improve the consultation rate of cancer screening.

As the number of households with elderly members only is increasing sharply, we have established a system for Total Life Plan Designers to cooperate with local governments when they notice something wrong in elderly households by concluding an agreement on anti-isolation activities so that elderly citizens can live in their home area with peace of mind. We also hold activities for our staff who have acquired knowledge about dementia to respond to patients, enabling them to take a dementia supporter training course to deepen their understanding of the disease.

In addition, we have built a collaborative relationship with local governments in a wide range of areas, including the promotion of work-life balance of companies and their employees and heads-up activities to prevent bank transfer scams. We have concluded a comprehensive partnership agreement with Hokkaido, Yamagata, Kanagawa and Mie Prefectures (as of June 2016) to work extensively on various issues in each region. We will continue to work toward solving regional challenges hand in hand with local governments.

■ Details of cooperation with local governments and examples of our activities

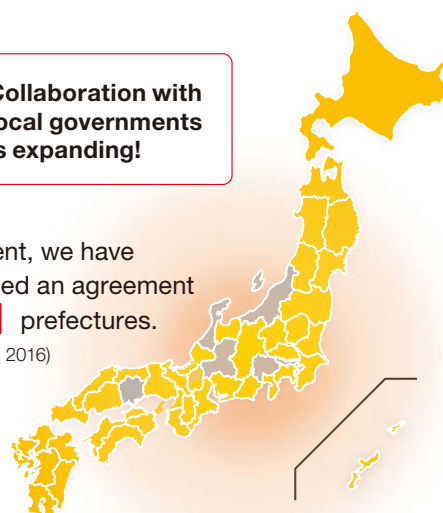
Health education	Conducting activities to support the health of customers, such as recommending a cancer examination and providing health and medical information
Watching for the elderly	Building a system to ensure that elderly people can live in safety and security through our daily activities and cooperating smoothly with the government and other organizations in emergencies.
Supporting childcare/ Promoting work-life balance	Providing information encouraging female employees and childcare support and running public awareness activities for child abuse prevention. We also provide information on systems to promote a work-life balance at small companies.
Prevention of damage caused by special fraud	Implementing anti-crime activities such as providing information on special fraud and raising awareness of dubious events.
Sports promotion	Promoting sports through cooperation in various forms, such as announcing and sponsoring the sports events of local governments and participating as a volunteer.



Collaboration with local governments is expanding!

At present, we have concluded an agreement with **41** prefectures.

(As of June 2016)





Initiatives for childcare support

In an effort to increase access to daycare facilities for children waiting for enrollment, we have been working to entice daycare facilities to open on properties owned by the Company nationwide since 2011*. In recent years, the problem of a shortage of after-school daycare centers has also become increasingly serious. In 2016, therefore, we expanded our efforts to entice after-school daycare centers to open their facilities*. Also, with the aim of providing high-quality childcare to children, the Dai-ichi Life Foundation has been offering an aid program to subsidize expenses for purchasing play equipment to newly established childcare centers since 2013. In addition, the Group is making a concerted effort to develop its childcare support activities by providing continuous support to facilities that we invited to open or to which we offered aid. This support takes the form of the volunteer activities of our staff, while supporting female employees and encouraging work-life balance in cooperation with local governments. We then apply successful examples in other parts of the country.

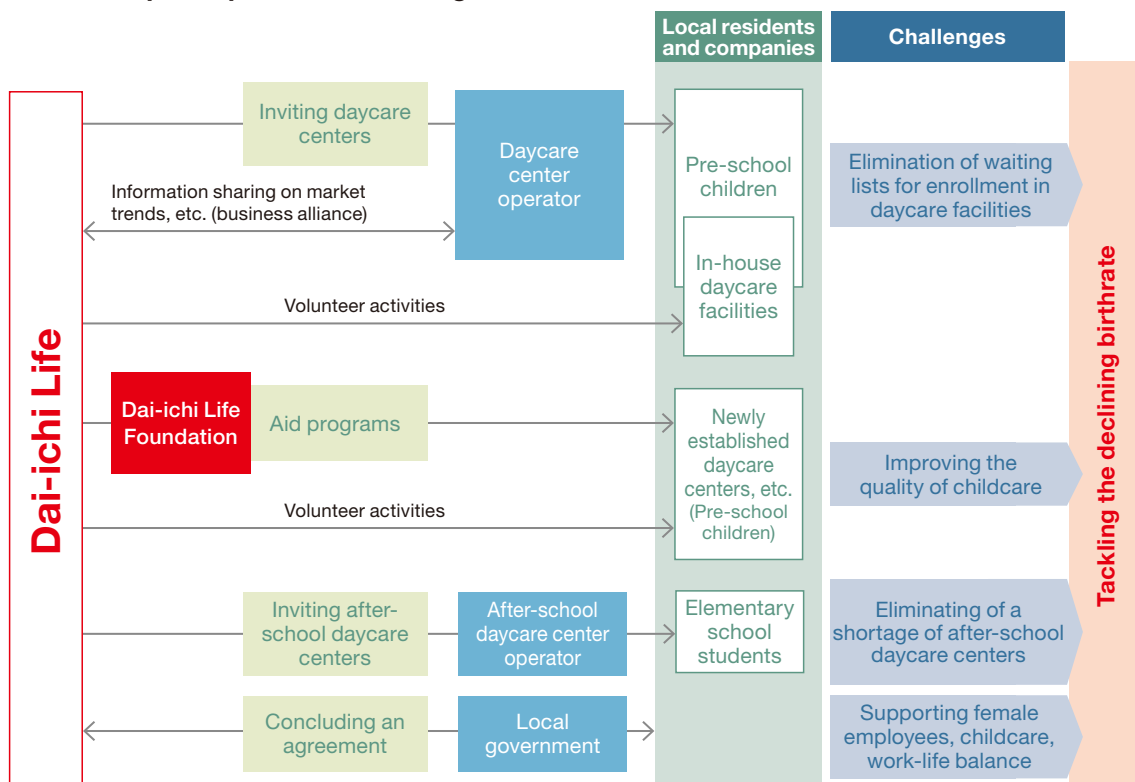
The Group's response to the falling birthrate, which could have an impact on the life insurance industry, have contributed to an increase in its operating revenue, such as rental income from real estate, while tackling the declining birthrate, suggesting that they have achieved a good balance between the core business and the resolution of social issues. We will continue to work effectively on social issues by making comprehensive use of the resources of the Group.

*These initiatives are the first of their kind in the life insurance industry (according to our research)



Uchu Daycare, Kamakura, a nursery we invited to open in our building in 2015.

The Group's response to the falling birthrate



Efforts to prevent global warming (energy saving) and build a recyclable society (resource saving)

With the aim of achieving social and economic development and harmony with the global environment and building a sustainable society, Dai-ichi Life has established the Basic Environmental Policy, and all its officers and employees are united in their efforts to reduce the environmental burden and protect the environment. These efforts take place under the 2015-2017 Medium-Term Environmental Effort Plan, which is based on the Basic Environmental Policy.

As an initiative for energy saving (reducing CO₂ emissions and electricity use), the Company takes measures such as ensuring efficient operation of equipment such as lights and air-conditioners on company premises and encouraging energy-saving efforts by individual officers and employees on a company-wide basis. We also actively replace devices and equipment with those offering superior energy-efficiency, helping to reduce the environmental load. Thanks to these efforts, CO₂ emissions in fiscal 2015 declined 18% compared with fiscal 2009 levels.

As an effort to preserve resources, we try to reduce the paper used in the Company by promoting paper-less meetings, producing electronic media versions of the Contract Guide—Policy Provisions that state important policy information, and making insurance enrollment procedures paperless. As a result, in fiscal 2015 we reduced paper usage by 49% compared with fiscal 2009 levels.

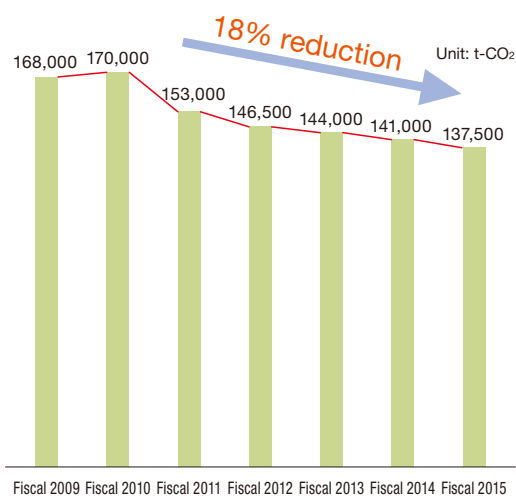


Scene from a paper-less meeting

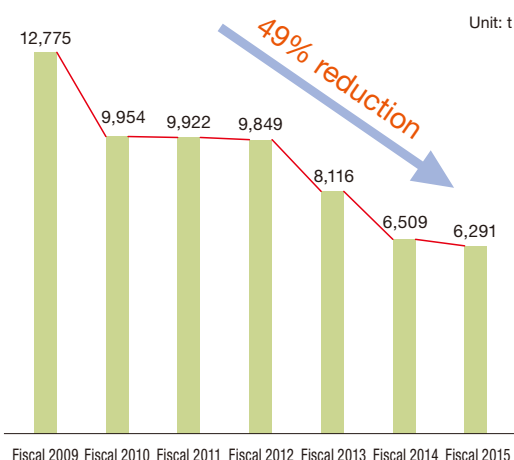


DVD of the Contract Guide—Policy Provisions

Changes in CO₂ emissions



Changes in paper usage



Social Initiatives

Other major initiatives



Promoting Health

Public Health Award

Dai-ichi Life established the Public Health Award in 1950 to show its gratitude and respect for the individuals working to improve public health and hygiene.

With the support of organizations such as the Ministry of Health, Labour and Welfare, the award has been granted annually, commending individuals and groups that sought to address prevailing issues.

Award winners receive an audience with the Emperor and Empress of Japan.



Presentation ceremony for the 67th Public Health Award

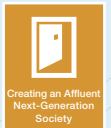


The University of Alabama

Donations to universities and research institutions (USA)

Dai-ichi Life and Protective Life will donate \$23 million as a contribution to the development of society on a joint basis for five years from 2015.

Activities to contribute to local communities, such as support for the development of human capital at the University of Alabama and measures for barrier-free facilities in a botanical garden will continue. Funds will also be donated for the development of novel drugs to support patients suffering from cancer and other diseases.



Creating an Affluent Next-Generation Society



Scene from the presentation of school supplies

Support for rural areas in Vietnam

Dai-ichi Life Vietnam is helping to improve the living standards of about 20,000 residents in a total of 10 provinces through a project to build concrete bridges in rural areas.

Dai-ichi Life Vietnam received the CSR Award in recognition of the volunteer participation of its employees in building the bridges, in addition to its donations.

Education support in India

Star Union Dai-ichi Life repaired facilities, supplied equipment and installed a water supply system and a computer room at school in Maharashtra. It also presented school supplies to students.

In addition, Star Union Dai-ichi Life also gives support to reduce school expenses for students in India and donates picture books to kindergartens and elementary schools.



Bridge construction site



The 35th Green City Award, Prime Minister's Prize,
"Izumisano Kyuryo Ryokuchi Park Club, Dairinkai"

Environmental Preservation



Green Environment Plan Award / Green City Award

The Green Environment Plan Award was established in 1990. It is an award and a grant for a greening plan that contributes to the formation of an urban environment.

The Green City Award is an award that honors groups and other organizations with a track record and accomplishments contributing to the environment or society. Dai-ichi Life has been a special sponsor of the award since 2013.



Scene from a class visited at a high school

Support for consumer education and finance and insurance education

Dai-ichi Life employees visit schools to give a lecture, using *Life Cycle Game II*, a sugoroku-style game (Japanese board game) in which players can learn about life's risks, how to prepare for those risks, and gain information about consumer issues and finance. (We gave 49 lectures in fiscal 2015, and 2,036 students attended).

Dai-ichi Life All Japan Elementary School Student Tennis Tournament Championships

Dai-ichi Life has been providing special support for the championships since its first tournament in 1983, and makes the Company's tennis courts (in Sengawa, Tokyo) available for the tournaments.

The tournament is a high-profile stage that elementary school students around the country aspire to reach. Professional tennis player Kei Nishikori, who is enjoying great success internationally, even recounted winning the tournament in his own book.



Inoue, Winner of the 33rd Tournament



Outreach activities (to bring music) for those who cannot come to the hall at regular times.

Support for the NPO Triton Arts Network (TAN)

Dai-ichi Life provides support to TAN, an organization that aspires to realize a society where people are connected by music and live with music, making the Dai-ichi Seimei Hall (Harumi, Tokyo) available to serve as a home for community-based arts activities.

In 2016 when the Dai-ichi Seimei Hall will celebrate its 15th anniversary, a new performance series organized by TAN will be held.

Social Initiatives

Initiatives Aimed at Society as an Institutional Investor

While retaining a focus on core ALM operations taking into account the nature of insurance liabilities, Dai-ichi Life also aims to fulfill the function of an institutional investor, through seeking to enhance the corporate value of our portfolio companies and addressing related to the environmental, social and corporate governance (ESG) issues.

In November 2015, we signed the United Nations Principles for Responsible Investment (PRI), seeking to continuously improve our investment process and stewardship activities from the perspective of ESG.

Through the practice of PRI, we will contribute to the realization of a sustainable society as an institutional investor by continuous enhancement of our investment process.

Signatory of:



Stewardship Activities

As an institutional investor with one of the largest portfolios of Japanese equities, we agree with and publicly accept the Principles for Responsible Institutional Investors: Japan's Stewardship Code and have established a policy governing our stewardship activities that focus on a dialogue with our portfolio companies and the exercise of voting rights. (The policy was disclosed in August 2014.) From the perspective of supporting the corporate value improvement and the sustainable growth of the investee companies, Dai-ichi Life places particular importance on dialogue and encourages proactive stewardship activities.

There are increasing international expectations for institutional investors to play a role in promoting growth and corporate governance improvement of the companies in which they invest. To meet these expectations, we will strive to contribute to the reinvigoration of the stock market and Japanese government's growth strategies, by improving our stewardship activities through continuous reviews of our dialogue process and criteria for exercising the voting rights.



■ Dialogue-oriented activities

In the course of these dialogue-oriented activities, we focus on three perspectives; effective corporate governance, sustainable improvement in business performance and capital efficiency, and better shareholder return. In fiscal 2015, the Stewardship Activity Promotion Team (7 members, as of April 1, 2016) was formed. The team coordinates with the 14 stock analysts in the Equity Investment Research Center to promote dialogue-oriented activities.

■ Exercising voting rights

In exercising the voting rights, we make a decision on an individual basis from the perspective of sustainable improvement of the stock value after taking non-financial information into account, while not focusing on short-term concern of business performance and stock price. On the other hand, we have introduced basic criteria for certain agenda items concerning corporate governance, because it would be desirable for all listed companies to meet certain governance standards.

(Note) Our policy for stewardship activities, and the idea and process for dialogue and the exercise of voting rights are found on our website.

ESG Investment

Dai-ichi Life's approach to asset management focuses not only on stability and profitability, but also on the benefits for society and the public.

■ Social impact bonds

Dai-ichi Life invests in social impact bonds as part of the ESG investment. In fiscal 2015, we continued to proactively invest in social impact bonds. For instance, we purchased a total of approximately \$50 million in EYE bonds* issued by the Inter-American Development Bank (IDB), agreeing with its philosophy of improving productivity and the living standards of youth in Latin American and Caribbean countries through education and employment support. As an institutional investor, we see great social significance in financially supporting the efforts of international development financial institutions through investment in social impact bonds.



Photo provided by: Inter-American Development Bank

*Funds raised by EYE bonds are appropriated to loans only to Education, Youth and Employment projects which fulfill IDB's specific criteria.

■ ESG Fund

We invest in companies that excel in their efforts for the environmental, social and corporate governance (ESG) issues through the ESG fund*. Placing great value on long-term sustainable growth, this fund selects and invests in companies that excel in terms of ESG, including diversity (approximately 150 companies as of the end of March 2016). We also proactively invest in Health & Productivity stocks and Nadeshiko Brand stocks selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).

Through these initiatives, we will seek to improve investment income and fulfill our social responsibility in our asset management.

*The Socially Responsible Investment (SRI) fund was raised internally in 2010. This fund was renamed the ESG Fund in 2013. This fund invests in domestic listed companies and is managed in-house (not outsourced).

Voice



We invest in the companies which make excellent efforts in ESG area, including those in Health & Productivity stocks and Nadeshiko Brand stocks, because we think they have high competitiveness and the potential to further improve their corporate value over the medium to long terms. Recently ESG investment is drawing increasing attention in Japan, and we have more opportunities to exchange information with other investors. We want to give a boost to the growth of excellent companies by evaluating them appropriately, while extending our knowledge through these opportunities.

Reiko Takahashi, Senior Assistant Manager, Domestic Equity Investment Group, Equity Investment Dept.

Initiatives for Employees



Employees of the Dai-ichi Life Group play a broad array of roles, including some 40,000 Total Life Plan Designers. The Group has prepared a fulfilling development support system for individual employees to be able to build their skills and provide greater value.

Development Support System (Total Life Plan Designers and Agencies)

Our customers' needs are diversifying due to the rapidly changing environment, with an aging population, declining birth rate and increase in single households. To respond to such needs, we need to provide consulting in line with our "Customer First" management philosophy and deliver high-quality services. Dai-ichi Life strives to equip human capital with advanced skills and knowledge, so that they are competent to stay with, be trusted by, and support customers.

Total Life Plan Designer Training Policy and Education System

■ Training programs (five-year development follow-up system)

Positioning the first five years after joining the Company as the training period, we work to equip Total Life Plan Designers with the advanced skills and knowledge to provide consulting in line with our "Customer First" management philosophy, so that they can deliver high-quality services.

In particular, the period of three months after joining the Company is the initial intensive education period, in which employees rapidly acquire extensive knowledge not only on life insurance but also on social security and taxes and the basic skills of sales activities. During this period, they also obtain important knowledge they will need to respond to customers.

We have introduced a program to develop employees even after they start their sales work, through employee training given by specialized internal trainers, on-the-job training by sales instructors, and other daily education programs using e-learning and video materials. Progress is checked at each stage based on each employee's development status, and stratified training and other measures for further growth are built as a long-term, practical and effective development system.



Scene from training (role playing)

■ Education curriculum for Total Consultants

Total Consultants are Total Life Plan Designers who were hired as new graduates. This is the name for employees who specialize in sales activities at the workplaces of companies and groups such as public offices (occupation market). For Total Consultants, acquiring knowledge about group insurance and corporate pensions is essential to accurately meet the needs of companies and groups. To meet this requirement, we operate an education curriculum that matches the occupation market based on the training system above.



Total Consultants

Initiatives for Employees

■ Training and support by Financial Planners (inheritance tax consultants)

Reflecting the advancement of the aging society in Japan, needs for measures to deal with inheritance issues are mounting. To provide customers with even more fulfilling consulting in this environment, Dai-ichi Life has since fiscal 2014 appointed Financial Planners (inheritance tax consultants) who have acquired practical knowledge on the necessary procedures for inheritance, as well as knowledge on general tax affairs and the legal system nationwide.

Financial Planners train Total Life Plan Designers and support them by visiting customers to provide information on official procedures that accompany inheritance and guidance on death benefit claim procedures. They also provide in-house training on inheritance, including how to respond to customer needs for lifetime gifting.



Training

Systems for Supporting and Educating Agencies

■ Initiatives for our agent financial institutions

The development of human capital capable of responding to increasingly diverse customer needs and a rapidly changing market is a challenge common to all financial institutions.

Dai-ichi Frontier Life, in response to this common challenge faced by our agent financial institutions, provides education to develop a large number of training instructors who possess coaching skills and communication skills. In addition, we provide training tailored to the purpose and the participants at financial institution agents across the country. In fiscal 2015, more than 300 training sessions in total were conducted.



Training

■ Initiatives for insurance agencies

Dai-ichi Life adopts a training system that covers not only the knowledge of life insurance but also finance related knowledge in response to the diverse needs of our agencies. We aim to improve the knowledge of our agencies and enable them to conduct advanced consulting sales skills through the training.

We also provide education for advanced consulting and timely information, using the Dai-ichi-life Internet Agency System (DIAS) online, as an internet system for agency support.

In Neo First Life, relationship managers directly visit agents to help them make the most appropriate proposals to customers through the day-to-day provision of information and training.

The Dai-ichi Life training system for agents

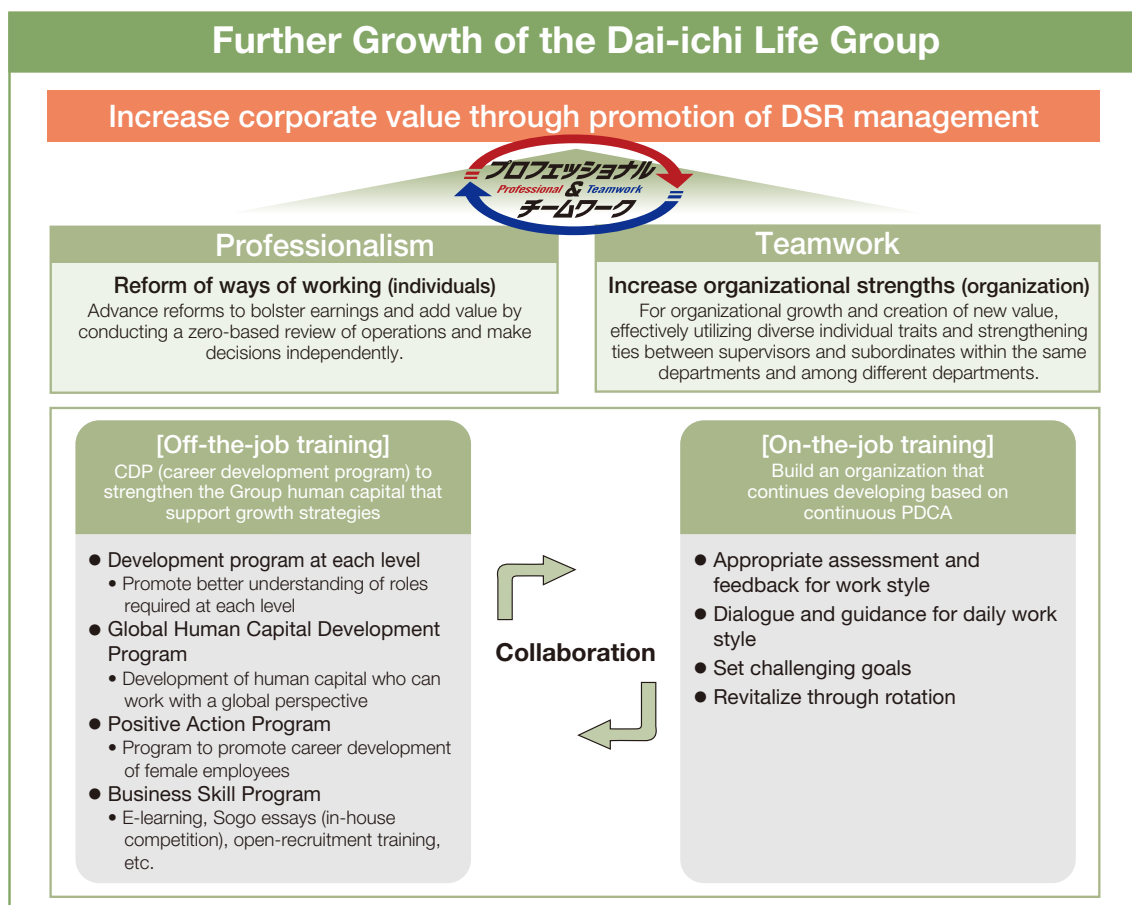
Introduction training	Briefing regarding outsourcing	● Overview of agency operation	● Dai-ichi Life corporate profile, etc.
	Training before registration	● Mechanism of life insurance	● Product knowledge
	Training after registration	● Laws concerning sale of life insurance, etc.	
Skill improvement training		● Learning operations for sales contracts	
		● Duties of agencies and correct sales activities	
		● Confirming overview of policy provisions	
Skill improvement training	Life insurance training	● Total Life Plan consultation	● Retirement allowance consultation
		● Practical role-playing	● Consultation for business operators
		● Legal compliance training	● Case studies, etc.

Development Support System (In-house Employees)

The most important management resources for the Dai-ichi Life Group are people and the ability to secure good human capital in all sectors must be improved to achieve further growth for the Group.

The Company places the concepts of professionalism and teamwork at the highest level of our human capital development policy and aspires to a notion of: professional = reform of the ways individuals work and teamwork = increasing organizational strength.

For professionalism, each employee aims to become a human capital capable of reviewing his/her own way of working, promoting work reform to increase profit and added value, and making decisions. For teamwork, the Company will strengthen ties between supervisors and subordinates within the same departments and among different departments to create new value that considers organizational growth and total optimization.



Voice



I think that the most important point in responding to changes in the environment and expanding business strategies is to develop human capital to create an organization where varied individuality and diverse values are used. To encourage each employee to grow and take on a new challenge voluntarily by solving problems facing their workplace, instead of simply inputting knowledge and skills, we are undertaking the task of planning training, etc., while listening carefully to the voices of employees.

Mari Matsuda, Senior Assistant Manager, Personnel Development Office, Human Resources Dept.

Initiatives for Employees

Efforts for Building Professionalism

■ Reform of ways of working

For each employee to grow, they need to have a vision by themselves, imagine how to realize the growth and then carry out their work by setting an objective. To that end, it is important for management to set a target to develop the strengths and individuality of subordinates and review the target.

Therefore, in fiscal 2016, after discussing the career vision of employees, or what they want to be, each employee sets challenging targets for higher positions, continuously operates the PDCA cycle, and raises individual action levels through interim and year-end interviews for work review, and daily dialogue and guidance.

■ Development of next-generation leaders

In Dai-ichi Life, for the purpose of developing human capital who can pursue the creation of corporate value on a Group-wide and global basis and take the role of business leaders, candidates for next-generation leaders are shared within departments and throughout the entire company. These candidates then enjoy opportunities for development through strategic rotation and a combination of off-the-job and on-the-job training.

Themes are wide-ranging, and include problem solving, leadership, the development of human capital and new business proposals. They are tailored to participants ranging from young employees (business leaders) to management. We help these participants become next-generation leaders and strengthen their practical abilities by sharing diverse ways of thinking and values mainly through discussion, while using specific case methods.



Scene from training to develop next-generation leaders

Efforts for Building Teamwork

The entire organization of Dai-ichi Life is working hard to develop human capital as the Company's management resources.

In fiscal 2016, we took steps to develop human capital, for instance by providing training, particularly for the purpose of strengthening the ability of management to invigorate communication within the organization and develop and capitalize on the individuality of subordinates. We also sought to improve the ability of each employee to think by themselves, take ownership of issues, and take on challenges. Expertise in human capital development was collected and standardized as a communication handbook, which is used among different departments to strengthen the Company-wide human capital development system.



Scene from training for management

Assessment of the Dai-ichi Life Group by Society and Major Awards Received

Organizer	Assessment/Award	Recipient
Finance Asia	Best FIG DEAL	Dai-ichi Life
Kids Design Association, a specified non-profit corporation	9th Kids Design Award, Kids Design Association President's Prize (Inviting daycare facilities to open in buildings owned by Dai-ichi Life)	Dai-ichi Life
HDI "Help Desk Institute" -Japan	Recognized as Three Stars in the HDI Customer Service Rating	Dai-ichi Life
Daiwa Investor Relations	Internet IR Commendation, Award for Excellence	Dai-ichi Life
Nikkei Business Publications, Inc.	Ranked first among the Insurance, Securities and Other Financial Industry Companies and 5th overall in top 100 companies in which women can excel	Dai-ichi Life
Ministry of Health, Labour and Welfare (certified by the Minister of Health, Labour and Welfare)	Granted the Platinum Kurumin	Dai-ichi Life
Japan Industrial Association	Commendation of companies and persons of merit by the Minister of Economy, Trade and Industry in commemoration of the 35th anniversary of the founding of the Consumer Affairs Advisor qualification system.	Dai-ichi Life
Gender Equality Bureau, Cabinet Office	Commendation of the Minister of State for Special Missions Award, "Advanced Corporation Where Women Can Shine" by the Cabinet Office	Dai-ichi Life
Japan Women's Innovative Network, a specified non-profit corporation	Grand Prize of Advanced Corporate Awards, J-Win Diversity Award 2016	Dai-ichi Life
Nikkei Inc.	Finalist in the Corporate Category of the Nikkei Social Initiative Awards	Dai-ichi Life
Toyo Keizai, Inc.	CSR Corporate Ranking 4th among financial institutions	Dai-ichi Life
Nikkei Inc.	Corporate ranking in Nikkei Environmental Management Survey 11th financial institution	Dai-ichi Life
The Association of Consumer Affairs Professionals (ACAP)	"Consumer-Oriented Activities Award" of the 1st Commendation of Consumer-oriented Activities by ACAP (consumer education activities using consumer education materials)	Dai-ichi Life
Japan for UNHCR	A letter of appreciation for donations made for refugee support	Dai-ichi Life
R&I	R&I Fund Award 2016, 10th Year Special Prize, The First Prize of Japanese Bond Fund received in "DLIBJ Bond Open (Middle)" and other 10 categories	DIAM Co., Ltd.
Morningstar	Fund of the Year 2015, International-Stock Fund Devision received in "Medical Science Fund" and one other category	DIAM Co., Ltd.
Lipper	Lipper Fund Award 2016, Equity Japan Small and Mid Caps, Best Fund Over 5 years received in "DIAM Small Cap Fund" and six other categories	DIAM Co., Ltd.
The Cincinnati Enquirer	Top Work Places	Protective Life
Birmingham Business Journal	Birmingham's Healthiest Employers	Protective Life
American Heart Association	Gold Fit Friendly Worksite	Protective Life
Smart Investor Blue Ribbon Awards	Best Income Protection Policy 2015	TAL
Canstar	Accelerated Protection - Outstanding Value Life Insurance Australia	TAL
Canstar	Accelerated Protection - Outstanding Value Income Protection	TAL

Organizer	Assessment/Award	Recipient
Canstar	Accelerated Protection – Term Life	TAL
Canstar	Accelerated Protection – Trauma	TAL
Australian Banking & Finance Magazine	Life Insurance Company of the Year 2015	TAL
Vietnam Young Entrepreneurs Association	Top 100 best brands of Vietnam Gold Star 2015 award	Dai-ichi Life Vietnam
Vietnam Economic Times	Golden Dragon Award 2015	Dai-ichi Life Vietnam
Asia Insurance Review	19th Asia Insurance Industry Awards 2015 - Corporate Social Responsibility Award	Dai-ichi Life Vietnam
Investor	2015 The Best Life Insurance Company	Panin Dai-ichi Life
Infobank	2015 The Best Sharia Unit-Life Insurance Company	Panin Dai-ichi Life
Fintelekt	Life Insurance Company of the Year Small/Medium Companies Category	Star Union Dai-ichi Life
The Federation of Indian Chambers of Commerce and Industry	The Winner in Unlisted Companies – Private Sector	Star Union Dai-ichi Life
UBM India	Giving Back 2015 – CSR NGO Awards	Star Union Dai-ichi Life
Office of The Consumer Protection Board	Outstanding Consumer Protection Contact Center 2015	Ocean Life
The Ministry of Public Health in Thailand	Employee Skill Development Award	Ocean Life
Lipper	Lipper Fund Awards 2016 Mixed-Asset Target Allocation Moderate Funds 10 Years Received in “Janus Balanced Fund, D” and two other categories	Janus
American Financial Technology	American Financial Technology Awards 2015 Most Cutting-Edge IT Initiative "eQuantum"	Janus

Inclusion in the SRI Indices

Dai-ichi Life is incorporated into the “FTSE4Good Index Series” (UK) and the “Morningstar Socially Responsible Investment Index” (Japan), which are socially responsible investment (SRI) indexes in Japan and overseas (as of July 31, 2016).

Dai-ichi Life has also been selected as a year book member in the “Sustainability Year Book 2016” issued by RobecoSAM in January.



Governance

Corporate Governance



■ Leadership (as of July 1, 2016)	P.82
■ Interview with an Outside Director	P.86
■ Corporate Governance Structure	P.88
■ Internal Control System	P.90

Leadership (as of July 1, 2016)

Directors

Katsutoshi Saito



**Representative Director,
Chairman of the Board**

Born in 1943
1967 Joined the Dai-ichi Mutual Life Insurance Company
1994 Director
1997 Managing Director
2001 Senior Managing Director
2003 Representative Senior Managing Director
2004 Representative Director, President
2010 Representative Director, Deputy Chairman
2011 Representative Director, Chairman of the Board

Koichiro Watanabe



**Representative Director,
President**

Born in 1953
1976 Joined the Dai-ichi Mutual Life Insurance Company
2001 Director
2004 Managing Director
2007 Director, Managing Executive Officer
2008 Director, Senior Managing Executive Officer
2010 Representative Director, President

Shigeo Tsuyuki



**Representative Director,
Deputy President**

**Assistant to President
(International Insurance Business)**
Supervising: International Business Management Dept. (supervise the matters regarding North America and Asia Pacific)
In charge of: International Business Management Dept. (except for the matters regarding North America and Asia Pacific)
Born in 1954
1977 Joined the Dai-ichi Mutual Life Insurance Company
2003 Director
2004 Executive Officer
2005 Managing Executive Officer
2008 Director, Managing Executive Officer
2011 Director, Senior Managing Executive Officer
2014 Representative Director, Deputy President

Norimitsu Horio



**Representative Director,
Deputy President**

**Assistant to President
(Domestic Insurance Business)**
Supervising: Quality Management Promotion Dept., Alliance Business Promotion Dept., Retail Management Dept., Sales Personnel Dept., Sales Office Manager Training Dept., Agency Sales Promotion Dept., East Japan Sales Management Dept., West Japan Sales Management Dept., Chubu Sales Management Dept., Kansai Sales Management Dept.
Born in 1954
1978 Joined the Dai-ichi Mutual Life Insurance Company
2005 Executive Officer
2008 Managing Executive Officer
2013 Senior Managing Executive Officer
2014 Director, Senior Managing Executive Officer
2015 Representative Director, Deputy President

Satoru Tsutsumi



**Representative Director,
Deputy President**

**Assistant to President
(Asset Management Business)**
Supervising: Separate Account Management Dept., Investment Planning Dept., Loan Dept., Fixed Income Investment Dept., Global Fixed Income Investment Dept., Equity Investment Dept., Real Estate Dept.
Born in 1955
1978 Joined the Dai-ichi Mutual Life Insurance Company
2005 Executive Officer
2010 Representative Director, President, The Dai-ichi Frontier Life Insurance Co., Ltd.
2015 Deputy President, The Dai-ichi Life Insurance Company, Limited
Representative Director, Deputy President

Kazuma Ishii



**Director, Senior Managing
Executive Officer**

Supervising: Profit Management Dept., Financial Planning and Actuarial Dept.
In charge of: Investment Administration Dept., Credit Dept.
Born in 1954
1977 Joined the Dai-ichi Mutual Life Insurance Company
2003 Director
2004 Executive Officer
2005 Managing Executive Officer
2008 Director, Managing Executive Officer
2011 Director, Senior Managing Executive Officer

Tomoyasu Asano



**Director, Senior Managing
Executive Officer**

Supervising: IT Business Process Planning Dept., Business Process Planning Dept.
In charge of: Product Development and Management Unit, Investment Trust Service Center, Underwriting and Medical Dept., Policy Service Dept., Claims Dept.
Born in 1953
1978 Joined the Dai-ichi Mutual Life Insurance Company
2006 Executive Officer
2009 Managing Executive Officer
2014 Director, Senior Managing Executive Officer

Hideo Teramoto



**Director, Senior Managing
Executive Officer
Chief General Manager, Marketing
Promotion**

Supervising: Sales Force Planning Dept., Total Life Planning and Sales Training Dept.
In charge of: Marketing Strategy Dept.
Born in 1960
1983 Joined the Dai-ichi Mutual Life Insurance Company
2009 Executive Officer
2011 Managing Executive Officer
2012 Director, Managing Executive Officer
2015 Director, Senior Managing Executive Officer
Chief General Manager, Marketing Promotion

Takashi Kawashima



**Director, Senior Managing
Executive Officer
Chief General Manager, DSR
Management Promotion
and Deputy Chief of Group
Management Headquarters**

Supervising: Corporate Planning Dept., Government Relations Dept.
In charge of: Dai-ichi's Social Responsibility Promotion Center, Public Relations Dept.
Born in 1960
1983 Joined the Dai-ichi Mutual Life Insurance Company
2009 Executive Officer
2012 Managing Executive Officer
2013 Director, Managing Executive Officer
2015 Director, Senior Managing Executive Officer
Chief General Manager, DSR Management Promotion and Deputy Chief of Group Management Headquarters

Kenji Sakurai



**Director, Senior Managing
Executive Officer
Chief General Manager,
Consulting Promotion and Chief
General Manager, Metropolitan
Market**

In charge of: Workplace Sales Force Promotion Dept., Financial Planning and Consulting Dept., Customer Service Dept., Contact Center Control Dept., Metropolitan Sales Management Dept.
Born in 1959
1982 Joined the Dai-ichi Mutual Life Insurance Company
2008 Executive Officer
2011 Managing Executive Officer
2014 Director, Managing Executive Officer
2015 Director, Senior Managing Executive Officer
Chief General Manager, Consulting Promotion and Chief General Manager, Metropolitan Market

Morinobu Nagahama



Director, Senior Managing Executive Officer

Supervising: Claims Payment Examination Center, Risk Management Dept., General Affairs Dept., Affiliated Business Management Dept., Human Resources Dept.

In charge of: Internal Audit Dept., Compliance Control Dept., Secretarial Dept., Legal Dept.

Born in 1956
1979 Joined the Dai-ichi Mutual Life Insurance Company
2008 Executive Officer
2013 Managing Executive Officer
2014 Director, Managing Executive Officer
2016 Director, Senior Managing Executive Officer

Seiji Inagaki



Director, Managing Executive Officer Chief of Group Management Strategy Unit and General Manager, Corporate Planning Dept.

In charge of: Corporate Planning Dept.

Born in 1963
1986 Joined the Dai-ichi Mutual Life Insurance Company
2012 Executive Officer
2014 Chief of Group Management Strategy Unit and General Manager, Corporate Planning Dept.
2015 Managing Executive Officer
2016 Director, Managing Executive Officer

Haruo Funabashi



Outside Director

Born in 1946
1969 Joined Ministry of Finance
1998 Secretary-General of Executive Bureau, Securities and Exchange Surveillance Commission
2001 Vice-Minister, Ministry of Land, Infrastructure, Transport and Tourism
2002 Retired from Ministry of Land, Infrastructure, Transport and Tourism
2003 Representative Director, Sirius Institute Inc.
2009 Director, The Dai-ichi Mutual Life Insurance Company

Michiko Miyamoto



Outside Director

Born in 1947
1996 Professor, Faculty of Education, Chiba University
1997 Visiting Researcher, Faculty of Social and Political Science, University of Cambridge
2005 Professor, Faculty of Liberal Arts, The Open University of Japan
2012 Director, The Dai-ichi Life Insurance Company, Limited
2014 Vice President, The Open University of Japan

George Olcott



Outside Director

Born in 1955
1998 Vice President, LTCB-UBS-Brinson Asset Management
1999 President, UBS Asset Management (Japan)
2000 Managing Director, UBS Warburg Tokyo
2001 Judge Business School, University of Cambridge
2005 FME Teaching Fellow, Judge Business School, University of Cambridge
2008 Senior Fellow, Judge Business School, University of Cambridge
2010 Project Professor, Research Center for Advanced Science and Technology, The University of Tokyo
2014 Guest Professor, Faculty of Business and Commerce, Keio University
2015 Director, The Dai-ichi Life Insurance Company, Limited

Rieko Sato



Outside Director

Born in 1956
1984 Registered as Attorney-at-Law
1998 Partner, Ishii Law Office
2015 Director, The Dai-ichi Life Insurance Company, Limited

Ungyong Shu



Outside Director

Born in 1962
2011 Vice Chairman, Merrill Lynch Japan Securities Co., Ltd.
2013 President & CEO, Core Value Management Co., Ltd.
2015 Director, The Dai-ichi Life Insurance Company, Limited

Leadership (as of July 1, 2016)

Audit and Supervisory Board Members



Atsushi Nagayama

Senior Audit and Supervisory Board

Born in 1958
1982 Joined the Dai-ichi Mutual Life Insurance Company
2011 Executive Officer
2014 Managing Executive Officer
Senior Audit and Supervisory Board Member



Fusakazu Kondo

Senior Audit and Supervisory Board Member (Full-time)

Born in 1960
1983 Joined the Dai-ichi Mutual Life Insurance Company
2012 Senior Audit and Supervisory Board Member



Masasuke Omori

Outside Audit and Supervisory Board Member

Born in 1937
1972 Judge
1978 Prosecutor
1996 Director-General of the Cabinet Legislation Bureau
1999 Registered Attorney-at-Law
2007 Audit and Supervisory Board Member, The Dai-ichi Mutual Life Insurance Company



Takashi Wachi

Outside Audit and Supervisory Board Member

Born in 1935
1995 Representative Director and President, Terumo Corporation
2004 Representative Director and Chairman, Terumo Corporation
2008 Audit and Supervisory Board Member, The Dai-ichi Mutual Life Insurance Company
2011 Director and Honorary Chairman, Terumo Corporation
Honorary Chairman, Terumo Corporation
2013 Representative Director, Human Resources Development Management Study Group, Limited Liability Company
Retired as Honorary Chairman from Terumo Corporation



Tsuneaki Taniguchi

Outside Audit and Supervisory Board Member

Born in 1943
2005 President, Japan Productivity Center for Socio-Economic Development (*)
2011 Special Advisor, Japan Productivity Center
2012 Audit and Supervisory Board Member, The Dai-ichi Life Insurance Company, Limited
2013 Advisor, Japan Productivity Center
2015 Retired as Advisor from Japan Productivity Center
(*) Presently, Japan Productivity Center

Information including reasons for selections of outside directors and outside Audit and Supervisory Board Members

Haruo Funabashi

Director

Attendance at Fiscal 2015 Board of Directors: 19 / 19
(Attendance / Total Number of Meetings)

[Reasons for Selection]

Haruo Funabashi possesses experience working for many years at government organizations and expert knowledge with regard to corporate ethics and economic morality. The Company believes that in the Board of Directors and other bodies, Funabashi will offer proactive views regarding overall management from an objective viewpoint and fulfill the role of supervising management.

Michiko Miyamoto

Director

Attendance at Fiscal 2015 Board of Directors: 18 / 19
(Attendance / Total Number of Meetings)

[Reasons for Selection]

Michiko Miyamoto possesses knowledge and experience as an expert in sociology. The Company believes that in the Board of Directors and other bodies, Miyamoto will offer proactive views primarily with regard to improving customer service and CSR matters from an objective viewpoint and fulfill the role of supervising management.

George Olcott

Director

Attendance at Fiscal 2015 Board of Directors: 16 / 16
(Attendance / Total Number of Meetings)

[Reasons for Selection]

George Olcott is an expert in human capital development and corporate governance in global management, possesses a wealth of experience and deep insight as a business manager at financial institutions as well as extensive experience serving as an outside director for other companies. The Company believes that in the Board of Directors and other bodies, Olcott will offer proactive views regarding overall management from a global and objective viewpoint and fulfill the role of supervising management.

Rieko Sato

Director

Attendance at Fiscal 2015 Board of Directors: 16 / 16
(Attendance / Total Number of Meetings)

[Reasons for Selection]

Rieko Sato possesses extensive experience as well as advanced and expert knowledge as an attorney and has a wealth of experience as an outside auditor for other companies. The Company believes that in the Board of Directors and other bodies, Sato will offer proactive views primarily with regard to corporate legal matters from an objective viewpoint and will fulfill the role of supervising management.

Ungyong Shu

Director

Attendance at Fiscal 2015 Board of Directors: 16 / 16
(Attendance / Total Number of Meetings)

[Reasons for Selection]

Shu Ungyong possesses extensive experience and deep insight as a business manager at financial institutions. The Company believes that in the Board of Directors and other bodies, Ungyong will offer proactive views regarding overall management from a global and objective viewpoint and fulfill the role of supervising management.

Masasuke Omori

Audit and Supervisory Board Member

Attendance at Fiscal 2015 Board of Directors: 19 / 19
(Attendance / Total Number of Meetings)

Attendance at Fiscal 2015 Audit and Supervisory Board: 16 / 16 (Attendance / Total Number of Meetings)

[Reasons for Selection]

Masasuke Omori possesses advanced and expert knowledge and experience as a judge, prosecutor, director-general of the Cabinet Legislation Bureau and attorney. The Company believes that in the Audit and Supervisory Board and other bodies, Omori will offer proactive views primarily with regard to the appropriateness of management from an objective viewpoint and fulfill the role of auditing management.

Takashi Wachi

Audit and Supervisory
Board Member

Attendance at Fiscal 2015 Board of Directors: 18 / 19
(Attendance / Total Number of Meetings)

Attendance at Fiscal 2015 Audit and Supervisory Board:
15 / 16 (Attendance / Total Number of Meetings)

[Reasons for Selection]

Takashi Wachi possesses a wealth of experience as a business manager and deep insight into corporate management. The Company believes that in the Audit and Supervisory Board and other bodies, Wachi will offer proactive views regarding overall management from an objective viewpoint and fulfill the role of auditing management.

Tsuneaki Taniguchi

Audit and Supervisory
Board Member

Attendance at Fiscal 2015 Board of Directors: 19 / 19
(Attendance / Total Number of Meetings)

Attendance at Fiscal 2015 Audit and Supervisory Board:
16 / 16 (Attendance / Total Number of Meetings)

[Reasons for Selection]

Based on the experience he has gained through investigative research and recommendations regarding improvements in productivity and management quality in various fields at the Japan Productivity Center over many years, the Company believes that in the Audit and Supervisory Board and other bodies, Taniguchi will offer proactive views regarding the Company's corporate governance as well as the improvement of management quality from an objective viewpoint, and will fulfill the role of auditing management.

Gender Composition of Directors and Audit and Supervisory Board Members

Male: 20, Female: 2 (proportion of female directors and Audit and Supervisory Board Members: 9.1%)

Executive Officers

Koichi Maruno

Senior Managing Executive Officer

Supervising: Group Life Insurance Business Unit, Group Pension Business Unit, Group Pension Service Dept., Wholesale Management Dept., Relations Departments, Sales Bureaus, etc. other than the areas in charge below

In charge of: Corporate Relations Dept. No.1, No.2, No.3 and No.4

Akio Tanaka

Managing Executive Officer

Chief General Manager, Chubu Operations Bureau

In charge of: Chubu Sales Management Dept., Chubu Corporate Relations Dept.

Nobuyuki Akimoto

Managing Executive Officer

Chief General Manager, Kansai Operations Bureau

In charge of: Kansai Sales Management Dept., Osaka Corporate Relations Dept., Kyoto/Kobe Corporate Relations Dept.

Atsushi Takahashi

Managing Executive Officer

In charge of: Quality Management Promotion Dept., Alliance Business Promotion Dept., Agency Sales Promotion Dept.

Shinichi Aizawa

Managing Executive Officer

Chief General Manager, North America

In charge of: International Business Management Dept.
(in charge of the matters regarding North America)

Satoru Sato

Managing Executive Officer

In charge of: IT Business Process Planning Dept., Business Process Planning Dept.

Masamitsu Nambu

Managing Executive Officer

In charge of: Retail Management Dept., Sales Personnel Dept., Sales Office Manager Training Dept.

Masao Taketomi

Managing Executive Officer

Chief of Group Human Resources Unit and General Manager, Human Resources Dept.

In charge of: Affiliated Business Management Dept., Human Resources Dept.

Masahiro Takashima

Managing Executive Officer

Chief General Manager, Eastern Market and General Manager, Hokkaido Sales Bureau

In charge of: East Japan Sales Management Dept., Hokkaido Sales Bureau, East Japan Corporate Relations Dept.

Katsuhisa Watanabe

Managing Executive Officer

In charge of: Wholesale Management Dept., Corporate Relations Dept. No.5, No.6, No.7 and No.8, Dispersed Sector Relations Dept.

Hideo Hatanaka

Managing Executive Officer

In charge of: Claims Payment Examination Center, Risk Management Dept., General Affairs Dept.

Kimihiro Sato

Managing Executive Officer

Chief General Manager, Metropolitan Corporate Relations

In charge of: Metropolitan Sales Management Dept., Metropolitan Corporate Relations Dept. No.1, No.2 and No.3, Kanagawa Sales Bureau

Tetsuya Kikuta

Executive Officer

Chief General Manager, Investment

In charge of: Fixed Income Investment Dept., Global Fixed Income Investment Dept., Equity Investment Dept.

Chieko Takahashi

Executive Officer

General Manager, Public Sector Relations Dept.

In charge of: Group Life Insurance Business Unit, Public Sector Relations Dept.

Munehiro Uryu

Executive Officer

General Manager, Total Life Planning and Sales Training Dept.

In charge of: Sales Force Planning Dept., Total Life Planning and Sales Training Dept.

Hiroshi Shoji

Executive Officer

General Manager, Financial Planning and Actuarial Dept.

In charge of: Profit Management Dept., Financial Planning and Actuarial Dept.

Tatsusaburo Yamamoto

Executive Officer

Chief, Asset Management Business Unit and General Manager, Investment Planning Dept.

In charge of: Separate Account Management Dept., Investment Planning Dept., Loan Dept., Real Estate Dept.

Sumie Watanabe

Executive Officer

In charge of: Human Resources Dept. (in charge of the matters regarding Diversity and Inclusion)

Mitsunori Moriguchi

Executive Officer

Chief General Manager of Western Market, General Manager of West Japan Sales Bureau

In charge of: West Japan Sales Management Dept., West Japan Sales Bureau

Norimitsu Kawahara

Executive Officer

Chief General Manager, Asia Pacific

In charge of: International Business Management Dept. (in charge of the matters regarding Asia Pacific)

Takahiro Shibagaki

Executive Officer

General Manager, Financial Institution Relations Dept.

In charge of: International Corporate Relations Dept., Financial Institution Relations Dept.

Yasuhiro Miyata

Executive Officer

General Manager, Group Pension Business Unit

In charge of: Group Pension Business Unit, Group Pension Service Dept., Separate Account Management Dept.

Ichiro Okamoto

Executive Officer

General Manager, Government Relations Dept.

In charge of: Government Relations Dept.

Interview with an Outside Director

We spoke with Mr. George Olcott, an outside director of Dai-ichi Life, about efforts to strengthen the governance of Japanese companies and Dai-ichi Life and the role of outside directors.



Outside Director **George Olcott**

Guest Professor, Faculty of Business and Commerce, Keio University

Career Summary

Graduated from University of Oxford.
Joined S.G. Warburg & Co., Ltd. in 1986.
Principal posts: Tokyo Branch Manager of SBC Warburg, President of UBS Asset Management (Japan) and Managing Director of UBS Warburg Tokyo.
Obtained a Ph.D at Judge Business School, University of Cambridge in 2005.
Senior Fellow at Judge Business School, University of Cambridge 2008-2013.
Guest Professor at the Faculty of Business and Commerce, Keio University since April 2014.
Outside Director of Dai-ichi Life since June 2015.

Question

Changing governance practices in Japan has recently been drawing considerable attention. How do you evaluate the governance of Japanese companies in general and that of Dai-ichi Life?

Answer

I think that the governance reforms of Japanese companies are moving things in a better direction. In the past, a serious problem with Japanese boards emanated from the fact that the board consisted almost entirely of internal directors. As most important decisions relating to the company's strategy and investments had been made separately at the executive board, the board of director's role was merely to rubber stamp these decisions. Today, however, the culture of external oversight over the decision-making process is becoming more embedded thanks in large part to the introduction of the Corporate Governance Code. The introduction of two or more outside directors is spreading thanks to changes to the listing rules of the Tokyo Stock Exchange. The increase in the number of outside directors from two to five in the previous fiscal year at Dai-ichi Life is a good example of its governance reforms. I believe that this has improved the transparency

and objectivity of decision making. On the other hand, care needs to be taken in the selection of outside directors. A diverse and balanced board is essential for the promotion of objectivity and avoidance of bias. Outside directors should raise questions about agenda items from various perspectives and question the company executives until they are convinced that proposals made by executives are truly for the benefit of all stakeholders, but particularly shareholders. I think that through this process, management as a whole will move in the same direction. The outside directors of Dai-ichi Life are well balanced, including a lawyer, an experienced investment banker and a person with experience in financial authorities. Dai-ichi Life has a foreigner and two women. Although outside directors are not specialists in the life insurance industry, there is active debate at the board and we express opinions from our various perspectives based on our careers and other experiences.

Question

What are your views on the role of an outside director?

Answer

The role of an outside director is not to direct the strategy of the firm or make specific proposals at the board. The main responsibility of outside directors should be to ascertain that the company has clearly set a vision and mission, that this vision and mission makes sense and will increase corporate value and that it has the strategies to realize its vision and mission and the resources to support those strategies. Without full participation in the formulation of the company's long term objectives and strategies, it is difficult for outside directors to make sense of the company's investment plans and proposals, and to make a meaningful contributions when, for example, a specific M&A proposal is debated at the board. Therefore, it is also very important to hold discussions about not only individual projects, but to hold regular and thorough discussions on medium- to long-term strategies. Checking that the company has effective risk management systems and proper internal controls is also an important role.

Question

What are other key governance issues for a global company?

Answer

Among listed Japanese companies, the number of female outside directors has increased quite sharply in recent years, from 150 in 2001 to 816 in 2014. That number is still considerably lower than in almost all other OECD countries. However the number of foreign outside directors is still shockingly low and has barely increased, rising from 232 to only 274 out of approximately 40,000 directors of listed Japanese firms in the last 15 years. Diversity is still a major challenge facing Japanese companies, given the role of outside directors to bring diverse perspectives to board discussions. I also think that there is still considerable scope to reflect the voice of shareholders and investors in the management of Japanese companies in general. In the United Kingdom, there is a lead outside director, and a key role of the lead outside director is to have a clear understanding of how shareholders view the company. The lead director therefore needs to keep in close touch with institutional investors. Japan may not yet be ready for this system, but there are still many Japanese companies that do not give feedback on the results of IR activities, including those overseas, to the board of directors, and I think that this is an issue they should address. At Dai-ichi Life, board members receive regular updates on IR activities in Japan and overseas and it is important for the board of directors to continue to hold discussions where the expectations of shareholders and other stakeholders are truly reflected. I believe that Dai-ichi Life will enhance its international presence in the future. The more that presence increases, the stronger the governance system that will be required. It is important that the company continues its efforts to strengthen governance.

Corporate Governance Structure

Our Basic Approach to Corporate Governance

To respond to the mandates from multiple stakeholders including customers, shareholders, society and employees and to achieve sustainable growth along with improved corporate value in the medium and long terms, Dai-ichi Life has built a corporate governance structure through the

establishment of a Corporate Governance Policy (see pages 125 and 126). The policy aims to strike a balance between the supervision of management and the execution of operations while ensuring transparent, fair, swift and resolute decision-making.

Management Control

Board of Directors and Executive Officer System

At Dai-ichi Life, the Board of Directors makes decisions on management strategy, management planning and other aspects that are important to Company management and supervises the execution of operations in accordance with laws and regulations, its articles of incorporation and Company-related regulations. Furthermore, as a company with an Audit and Supervisory Board, audits on matters such as the status of the execution of duties are conducted by Audit and Supervisory Board Members and an Audit and Supervisory Board that are independent from the Board of Directors. The Board of Directors is made up of those who possess various knowledge, experience and skills selected from among those who are able to fulfill the obligations required as a director. To have management policies properly reflect the views of persons possessing a wealth of experience and insight, such as outside entrepreneurs and academic experts, several outside directors are selected. As of June 30, 2016, Dai-ichi Life has 17 directors (including five outside directors and two female directors).

To separate management decision-making and supervision from business execution and to facilitate swift decision-making associated with the execution of business, Dai-ichi Life has introduced an executive officer system. Executive officers are elected by the Board of Directors and carry out duties assigned by the Board of Directors. Dai-ichi Life also has an Executive Management Board that consists of the president

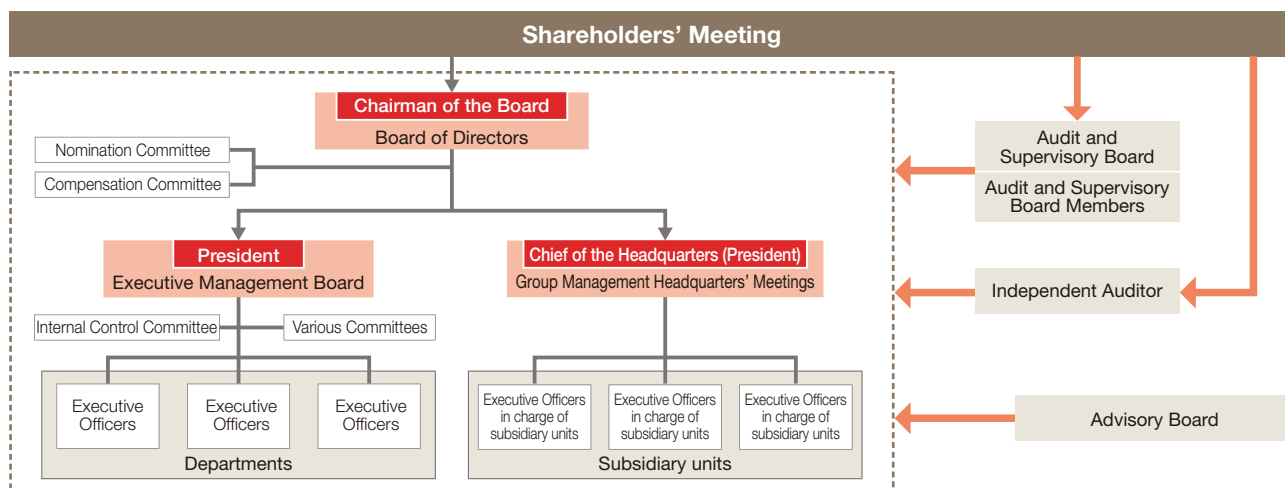
and executive officers appointed by the president and meets twice a month, in principle. The Executive Management Board discusses important management and executive issues. As of June 30, 2016, Dai-ichi Life has 33 executive officers (including ten members also serving as directors and two female). In addition, the Group Management Headquarters' Meetings discuss important management and executive issues for the Dai-ichi Life Group.

In addition, Dai-ichi Life has established an Advisory Board so that it can receive advice on its overall management issues from outside experts from a medium- and long-term perspective to further strengthen and enhance its governance.

Nomination Committee and Compensation Committee

To further enhance management transparency, Dai-ichi Life has established a Nomination Committee and a Compensation Committee, each of which consists of the chairman, president, and outside members, as independent advisory committees to the Board of Directors. To ensure the independence of the committees, in principle outside committee members make up the majority of each committee. The Nomination Committee confirms the eligibility of candidate directors and deliberates on the appointment or dismissal of directors and executive officers. The Compensation Committee deliberates on the compensation systems for directors and executive officers and other related matters.

Management Control System



To ensure that supervisory functions are adequately exercised with regard to candidate outside directors, a basic policy that persons who in principle meet the following requirements be appointed has been established.

- Those who possess superior views and extensive experience in certain sectors, including corporate management, risk management, compliance and internal control, corporate ethics, management quality, global management and macro policies
- Deemed independent from management of the Company in accordance with independence standards for outside directors

Also note that the maximum term of appointment for outside directors is eight years, in the interests of ensuring independence.

Audit and Supervisory Board Members

Audit and Supervisory Board Members attend important meetings including meetings of the Board of Directors, Executive Management Board and Group Management Headquarters' Meetings. Through interviews with directors, executive officers and the relevant departments and other activities, Audit and Supervisory Board Members audit the execution of duties on the part of directors and executive officers, and conduct audits of compliance by the Company and its subsidiaries, the response status for risk control in overall management and the status of business and financial matters. In addition, the Audit and Supervisory Board deliberates on important audit issues. For this reason, the Audit and Supervisory Board includes persons with appropriate knowledge of finance and accounting, and as of June 30, 2016, Dai-ichi Life has five Audit and Supervisory Board Members (including three outside Audit and Supervisory Board Members). Also note that the maximum term of appointment for Audit and Supervisory Board Members is 12 years, in the interests of ensuring independence.

Compensation of Directors and Audit and Supervisory Board Members

Executive compensation for directors (excluding outside directors) at the Company is made up of fixed

compensation, Company business performance-based compensation, divisional business performance-based compensation and stock-based compensation in the form of stock options (subscription rights to shares). The compensation of outside directors comprises fixed compensation. The levels for these types of compensation are set using third-party research into the compensation of domestic business managers and other factors. These forms of compensation are determined by the Board of Directors upon consultation with the Compensation Committee.

The compensation of Audit and Supervisory Board Members is made up of fixed compensation, and levels of compensation are set using third-party research into that of senior management in Japan and other factors. Also note that these forms of compensation are determined through discussions on the part of Audit and Supervisory Board Members.

Independent Auditor

The Company's independent auditor is Ernst & Young ShinNihon LLC. The certified public accounts who have performed accountancy services are Masahiko Yamauchi and Hiroshi Yamano.

The assistants involved with auditing work consist of 14 certified public accounts and 39 other staff, each of whom perform audits in compliance with generally accepted auditing standards. Note that auditing compensation is determined based on factors including the size and characteristics of the Company and the number of days engaged in auditing.

Details of compensation, etc. for Independent Auditor

Category	Previous Consolidated Fiscal Year		Current Consolidated Fiscal Year	
	Compensation based on Audit Certification Services (millions of yen)	Compensation based on Non-audit Services (millions of yen)	Compensation based on Audit Certification Services (millions of yen)	Compensation based on Non-audit Services (millions of yen)
Dai-ichi Life	329	44	475	68
Consolidated Subsidiaries	34	6	46	3
Total	363	50	521	71

Total amount of compensation, etc. for Directors, Audit and Supervisory Board Members, total amounts by type of compensation, etc., and number of applicable persons

Category	Total Amount of Compensation, etc. (millions of yen)	Total Amount by Type of Compensation, etc. (millions of yen)					Number of Applicable Persons
		Basic Compensation	Stock Options	Bonuses	Retirement Benefits	Others	
Director (excluding outside directors)	680	549	124	—	—	7	11
Audit and Supervisory Board Members (excluding outside Audit and Supervisory Board Members)	69	69	—	—	—	0	2
Outside directors and outside Audit and Supervisory Board Members	101	101	—	—	—	—	8

Internal Control System

Basic Approach to Internal Control

The Company establishes and operates an internal control system based on the Basic Internal Control Policy with the aim of ensuring the legitimate conduct of business on the part of the corporate group made

up of the Company and its subsidiaries as well as maintaining and creating corporate value to fulfill social responsibility as a life insurance company.

Status of Internal Control Systems

Dai-ichi Life has established “Internal Control Policy for Dai-ichi Life Group” and “Basic Internal Control Policy,” which set out its basic approach and policy concerning internal control.

As part of the establishment of its internal control system, the Company has set up an Internal Control Committee. The Committee is a special organization assisting the Board of Directors and the Executive Management Board and is responsible for the following: promoting the establishment and operation of an internal control system; checking the appropriateness of financial reports and the effectiveness of internal audits; and checking and discussing issues of compliance, the protection of information property, risk management, and the handling of antisocial forces as an organization overseeing the Compliance Committee, Risk Management Committees, and Antisocial Forces Handling Committee. The Internal Control Committee consists of representative directors and the executive officers in charge of the departments responsible for internal control and holds a meeting every month, in principle.

To enhance the effectiveness of internal controls, Dai-ichi Life also carries out internal control self-assessment (CSA) in all operations. Through CSA, the Company (1) identifies major risks in each operation, (2) evaluates the importance of the risks in view of

the magnitude of the potential effects for customers and losses they may cause, and (3) assesses risk prevention systems. Not only the Company, but also its subsidiaries and affiliated companies are pursuing these CSA efforts in order to determine and control risks and improve the overall operations of the Dai-ichi Life Group.

Basic Internal Control Policy

1. Conduct business activities in compliance with laws and regulations, the Articles of Incorporation, social standards, and rules in the market
2. Ensure insurance sales compliance with laws and regulations, etc. and conduct appropriate insurance sales management
3. Protect and manage information property appropriately, including customer information, shareholder information, material facts, and other unique information
4. Manage risks effectively in accordance with the characteristics of those risks
5. Block any relationships with antisocial forces to prevent any damage that might occur
6. Ensure appropriate operations at subsidiaries
7. Ensure the reliability of financial reports and disclose them appropriately on a timely basis
8. Check the appropriateness and effectiveness of internal control through internal audits

Compliance (observance of laws and ordinances, etc.)

Basic Recognition

Dai-ichi Life understands that complying with laws and regulations, its Articles of Incorporation, social standards, and rules in the market is the basis for conducting business activities. To fulfill the social responsibility and public missions of a life insurance company, Dai-ichi Life is building systems to promote compliance in all of its operations, including insurance sales and asset management.

Policies and Regulations, etc. Designed to Promote Compliance

Dai-ichi Life has established the basic policies and regulations of the Group, including Dai-ichi Life Group Compliance Regulations and Compliance Regulations. These outline its basic approach to the compliance system and the details of that system, under the Internal Control Policy for Dai-ichi Life Group and the Basic Internal Control Policy.

Under its Basic Management Policies, the Company has also established Dai-ichi’s Social Responsibility Charter (DSR Charter), which outline the specific principles of its actions as a company, and the Code of Conduct, which outlines specific principles for the behavior of directors, executive officers and employees. The Company has created a Compliance Manual that includes internal rules for promoting compliance, explanations of laws and regulations and points to keep in mind when performing operations. In addition to distributing the manual to all officers and employees, the Company seeks to disseminate the rules, laws, regulations and points and ensure their thorough compliance through various training sessions and other initiatives. The Compliance Committee holds preliminary discussions on important regulations and manuals, the Executive Management Board discusses them, and the Board of Directors makes decisions.

Organizational Systems Associated with Compliance

The Compliance Committee (consisting primarily of relevant directors and executive officers), under the Internal Control Committee, discusses important matters relating to compliance and consults with the Executive Management Board, the President, and the Board of Directors. The Compliance Control Department develops and promotes company-wide compliance systems. To ensure compliance, especially in the area of insurance sales management, Dai-ichi Life has established a cooperation system between the Compliance Control Department and the Quality Management Promotion Department, which provides branch offices that engage directly in insurance sales directly with instructions and support. The Company assigns Compliance Officers to the Compliance Control Department to provide direct compliance support at head office departments, as well as Quality Management Officers to the Quality Management Promotion Department to give direct instructions and support for further advances in business quality, such as the promotion of compliance at branch offices, from a customer-based perspective. These personnel promote compliance and insurance sales in cooperation with the compliance managers as the head of each department or branch.

The Company has created a system to handle and resolve important matters associated with compliance in the most appropriate manner. These matters that arise in departments and branches are reported through the compliance managers to the Compliance Control Department. As a channel through which employees can directly report and consult on compliance matters, the Company has also established an internal hotline (in the Compliance Control Department) and a consultation service (with

outside lawyers) in accordance with the Whistleblower Protection Act and operates these systems with full respect for privacy so that those who duly blow the whistle or consult are not subject to unfavorable treatment resulting from their whistleblowing or consultation.

To check whether compliance is being promoted effectively and appropriately, the Internal Audit Department regularly conducts internal audits.

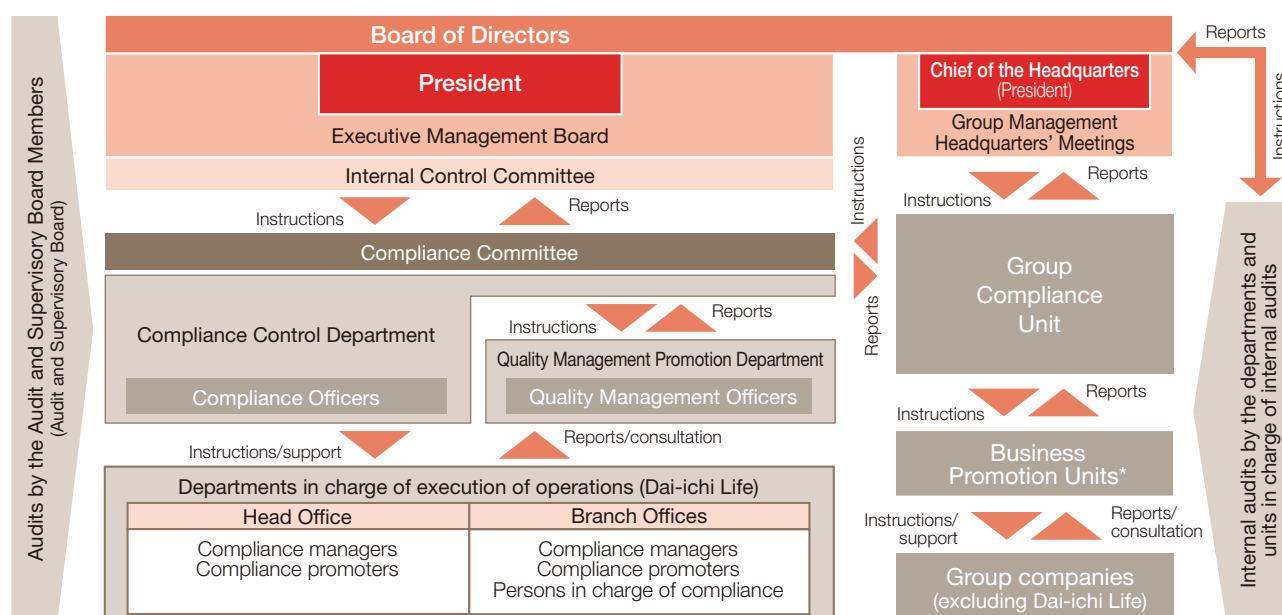
The Company is endeavoring to develop and strengthen its compliance system as a Group, taking into account the attributes of each company, by establishing a Group Compliance Unit at the Group Management Headquarters.

Compliance Promotion

The Board of Directors of Dai-ichi Life sets out a Company-wide Compliance Program each year as a specific plan of action for compliance in accordance with the issues identified for each fiscal year. In addition, the Company promotes compliance in a plan-do-check-action (PDCA) cycle, particularly among executives, in which the Compliance Committee checks the status of each issue in the Company-wide Compliance Program regularly and revises the issues appropriately. To improve the effectiveness of initiatives to tackle major issues, the Company works to enhance its educational and training efforts related to improved awareness of compliance in addition to reforming and refining mechanisms and offering knowledge-based education.

In addition, the Company requires the general managers of the head office and branch offices to submit a confirmation sheet concerning compliance promotion semi-annually so that management can monitor the effectiveness of compliance promotion.

Organizational Systems Associated with Compliance



*Collective term for the Group Management Strategy Unit, the Asset Management Business Unit, and the International Life Insurance Business Unit

Internal Control System

Information Property Protection

Basic Recognition

Dai-ichi Life keeps personal information on customers, including their names, dates of birth, addresses, contract details, and medical information, for long periods and also retains information about business clients that it has obtained in the course of its operations, such as financial transactions. The Company believes that complying with laws, regulations and its internal regulations and managing the protection of information property appropriately are the major premise for earning the trust of its customers.

Policy, Regulations, etc. Associated with the Protection of Information Property

Dai-ichi Life has established Internal Control Policy for Dai-ichi Life Group and Basic Internal Control Policy. Under these policies, it has established basic policies and regulations, including Information Property Protection and Control Regulations, to set out basic principles and rules for protecting information property and standards for appropriately protecting information property. Dai-ichi Life has also created the Information Property Protection and Control Standards, which stipulate the details of standards for specific security measures. Based on the spirit of the Act on the Protection of Personal Information (hereinafter the “Personal Information Protection Act”) and the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure (hereinafter the “My Numbers Act”), Dai-ichi Life has established a Personal Information Protection Policy and a Shareholder Personal Information Protection Policy. These policies describe the purposes of the use of personal information and shareholder information and the protection and control of personal information and shareholder information, based on decisions by the Board of Directors. These policies are posted on the Company website.

The Company has created a Compliance Manual and an Information Property Protection and Control Manual, which specify rules and regulations related to the control and promotion of information property protection, as well as points to keep in mind in the execution of operations. The Company has distributed these manuals to all directors, executive officers and employees and has provided training programs based on the manuals to keep them fully informed about the contents.

Organizational Systems Associated with the Protection of Information Property

The Information Property Protection Working Group, which has been established as a subsidiary body of the Compliance Committee, discusses important matters related to the promotion of information property protection and reports the results of the discussions to the Compliance Committee. We have established an Information Security Management Center, a permanent organ that promotes protection of information property across

the board, within the Compliance Control Department. The Information Security Management Center gives the necessary instructions and support to each head office department and branch, and develops a system for the appropriate protection and management of information assets in each organ through compliance managers and compliance promoters, who have been appointed across various departments.

The Internal Audit Department regularly carries out internal audits to ensure that these systems are working effectively throughout the Company. It reports the results of the audits to the Board of Directors and the Executive Management Board.

The Company is working to establish the Group’s information management system, based on each sector and the quality and quantity of information owned by the Group, with the Group Compliance Unit and related departments going hand-in-hand with the Group companies.

Information Property Protection and Control

Dai-ichi Life has developed information property protection and control systems based on the Personal Information Protection Act, the My Numbers Act, and guidelines and other regulations associated with the protection of personal information in the financial industry by taking the following safety control measures in terms of its organizations, human capital, physical treatment and technology:

- Publishing its personal information protection policy and developing internal regulations on the protection of information property
- Strengthening compliance with information handling rules through regular staff training and conducting regular inspections of compliance with the rules
- Taking measures to manage areas where information is handled and protect the theft of equipment and electronic media, etc. that handle information
- Establishing a firewall, regulating access to data inside the Company, and acquiring logs as a measure to prevent unauthorized external access from outside
- Supervising and checking outsourcing service providers, including their subcontractors

Handling of Requests for the Disclosure of Personal Information and Others

When customers or shareholders request the disclosure of their own personal information, Dai-ichi Life promptly and appropriately responds after confirming that the requests have been made by the customers or shareholders themselves or by legal proxies.

Information about disclosure requests based on the Act on the Protection of Personal Information is also available on Dai-ichi Life’s website.

Handling of Comments, etc.

Dai-ichi Life responds promptly and appropriately to any comments, etc. about the handling of personal information.

Risk Management

Basic Recognition

To ensure sound and proper business operations and to ensure that we fulfill the obligations arising from our insurance policies, we identify and evaluate potential risks, take appropriate action based on the specific characteristics of each risk and comprehensively manage those risks. We are committed, on a company-wide basis, to improving soundness through the management and control of risk volume and capital.

We have also established a crisis management system and a risk management system to respond to catastrophes and large-scale disasters in addition to our everyday risk management system.

Risk Management Policies and Regulations

Our Internal Control Policy for Dai-ichi Life Group and Basic Internal Control Policy include our basic philosophy and policies regarding risk management. The approach used to manage each type of risk is developed in line with these policies. In addition, each of the risk management regulations and standards is translated into practical rules, following our series of Basic Risk Management Policies.

Risk Management Structures

For risks arising from operations of the Company, we developed a risk management structure in which the operations of the Company are monitored by the department responsible according to the risk category, in obedience to our series of Basic

Risk Management Policies. To strengthen our risk management structure, we have established a Risk Management Department, which manages risks comprehensively, on a company-wide basis. The Group Risk Management Unit has taken a central role in strengthening the risk management system of the Group by monitoring the status of the Group's overall risk management and its soundness.

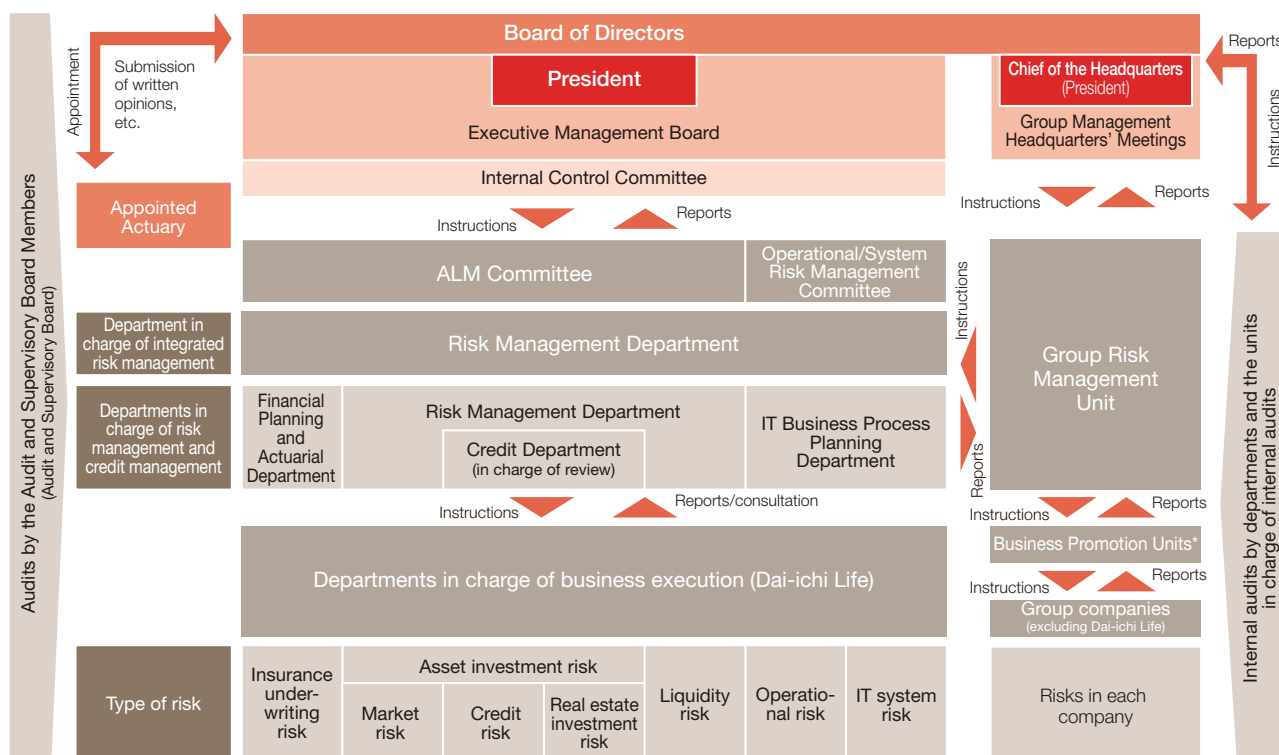
We have established the ALM Committee, Operational Risk Management Committee and System Risk Management Committee, each of which convenes regularly for management to share information regarding individual risks that will be used to guide decision making. Moreover, our Internal Audit Department examines the effectiveness and appropriateness of our risk management functions.

The status of risk management is reported to the Board of Directors, the Executive Management Board and the Group Management Headquarters' Meetings. Our Audit and Supervisory Board Members inspect overall risk management, including those taken by our management.

Integrated Risk Management Initiatives

Integrated risk management is an approach in which the Company controls the risks it is exposed to in its overall operations, including in the flow of business such as underwriting insurance and setting premium rates, by considering risks, including potentially significant ones, as a whole and comparing

Risk Management Structures



*Collective term for the Group Management Strategy Unit, the Asset Management Business Unit, and the International Life Insurance Business Unit

Internal Control System

them against its capital, etc. Dai-ichi Life ensures its soundness by integrating various risks on an accounting, economic value and regulatory basis and comparing them against its capital, etc. Risk management on an economic value basis adopts a risk valuation standard that is consistent with Embedded Value, one of the indicators that represent the corporate value of a life insurance company.

To conduct ALM (Asset Liability Management) appropriately, the ALM Committee encourages the refinement of its management system and the improvement of the Company's soundness.

In addition, the Operational Risk Management Committee and System Risk Management Committee curb operational and system risks and strengthen the management system.

In addition, in the course of formulating the Company's investment policy taking liability characteristics into consideration, developing new products and setting an appropriate assumed investment yield, the departments in charge of risk management check the various risks involved in insurance underwriting and investments and examine the adequacy of those operations.

Note: As part of the integrated risk management, Dai-ichi Life carries out internal control self-assessments (CSA), ensures the appropriateness of business at its subsidiaries, etc, and implements risk management for large-scale disasters. See pages 90, 95 and 137 for details.

Promotion of ERM

The Company promotes ERM (Enterprise Risk Management), a risk management approach to promote business activities, by formulating a management plan and capital strategies in accordance with its capital, risk, and profit situation.

When formulating a management plan and capital strategies as a risk management measure related to ERM, the department in charge of enterprise risk management examines the adequacy of the plan and the strategies, properly controls capital, risks, and profits by setting and managing risk tolerance, etc., taking into consideration the source, types, and characteristics of risks, and promotes the enhancement of the Group's risk management.

Implementation of Stress Tests

To recognize and determine events that cannot be captured by model-based risk quantification, Dai-ichi Life implements a stress test, assuming a worst-case scenario based on past events, such as disruptions in the financial market and large-scale disasters, as well as the Company's future outlook to analyze the effect on its soundness. Stress test results are regularly reported to the Board of Directors and the Executive Management Board so that management can check market conditions, strengthen its monitoring, and consider and implement managerial and financial measures as necessary.

Definition of Risks

Type of risk		Details
Insurance underwriting risk		The risk that an insurance company may suffer a loss due to changes in economic conditions, or a frequency ratio of insured events that are contrary to the projections made at the time premiums were set.
Asset investment risk	Market risk	The risk of suffering a loss due to changes in the value of the assets and liabilities owned because of changes in market conditions such as interest rates, exchange rates, and share prices, and the risk of suffering a loss due to changes in the income generated from assets and liabilities.
	Credit risk	The risk of suffering a loss due to a decrease in or eradication of the value of assets because of a deterioration in the financial condition of credit recipients
	Real estate investment risk	The risk of suffering a loss due to a drop in income from real estate due to changes in rent, etc. or a decrease in the value of the real estate itself because of factors such as changes in market conditions.
Liquidity risk		The risk of suffering a loss due to being forced to sell assets at a markedly lower price than normal as a result of a deterioration in cash management from a drop in premium income, etc. (cash management risk), or the risk of suffering a loss due to an inability to participate in market transactions because of a market disruption (market liquidity risk).
Operational risk		The risk that customers and the Company may suffer a loss due to an officer or employee, etc. neglecting to conduct a proper operation, experiencing an accident, or engaging in wrongdoing.
IT system risk		The risk that customers and the Company may suffer a loss due to a system flaw such as the failure or malfunction of a Company computer system or the unauthorized use of a Company computer.

Note: In addition to the risks above, the Company also manages legal risk, human risk, tangible asset risk, and reputational risk.

Ensuring the Appropriate Operations at Subsidiaries, etc.

Basic Recognition

The subsidiaries, etc. of Dai-ichi Life means subsidiary companies, subsidiary corporations, and related corporations, as established in the Insurance Business Act, the Order for Enforcement of the Insurance Business Act, and the Ordinance for Enforcement of the Insurance Business Act.

To manage its subsidiaries, etc., Dai-ichi Life, as a major shareholder, monitors the decisions and the supervision of the operation of its subsidiaries, etc. by their Boards of Directors as a basic practice, and takes measures according to the characteristics of subsidiaries, etc. by verifying how their operations are executed.

Policies and Regulations, etc. Associated with the Management of Subsidiaries, etc.

Dai-ichi Life has established basic matters for the development and operation of an internal control system in its Internal Control Policy for Dai-ichi Life Group and Basic Internal Control Policy to ensure sound and appropriate operations at its subsidiaries, etc. and to continuously improve their corporate

value. Also, based on the Internal Control Policy for Dai-ichi Life Group and Basic Internal Control Policy, Dai-ichi Life has developed the necessary company regulations and rules.

Management System for Subsidiaries, etc.

Departments that are in charge of the management of subsidiaries and other affiliated entities and that are responsible for their internal control act based on the characteristics of the subsidiaries. For instance, working with other related departments that are in charge of subsidiary internal control and development, or that are responsible for delegating operations to subsidiaries, they build an internal control system while planning and executing measures to increase the effectiveness of internal control at subsidiaries. The departments also provide instruction and support.

Also, in cooperation with the departments in charge of internal control, important matters are reported to Dai-ichi Life's Board of Directors, Executive Management Board, and Internal Control Committee.

Note: See pages 122 through 124 for the overview of subsidiaries, etc.

Actions Regarding Internal Control over Financial Reporting

Basic Recognition

In accordance with the Financial Instruments and Exchange Act, we have prepared an Internal Control Report that evaluates the effectiveness of our internal control over financial reporting.

Policies and Regulations, etc. Associated with Internal Control over Financial Reporting

In the Internal Control Policy for Dai-ichi Life Group and the Basic Internal Control Policy, Dai-ichi Life has established basic policies and regulations to ensure the reliability of financial reporting and its appropriate disclosure on a timely basis. Under the Basic Internal Control Policy, the Company has developed Evaluation Regulations for Internal Control over Financial Reporting, which outlines procedures to appropriately evaluate internal control over financial reporting.

Actions Regarding Internal Control over Financial Reporting

To ensure the reliability of its financial reporting, Dai-ichi Life evaluates the effectiveness of its internal controls, such as important processes related to financial reporting and the system for preparing financial reports.

Based on the results of this evaluation, the Company creates an internal control report, which verifies that Dai-ichi Life's internal control over its financial reporting was effective, and submits this Report together with the annual securities report. With respect to the internal control report dated March 31, 2016, the Company received an internal control audit from an independent auditor and obtained its unqualified opinion.

Internal Control System

Internal Audit Framework

Basic Recognition

To ensure sound and proper business operations, Dai-ichi Life examines the appropriateness and effectiveness of its internal control through internal audits. To implement effective internal audits, Dai-ichi Life establishes an independent organization to be responsible for internal audits and makes other necessary arrangements.

Policies, Rules, etc. Related to Internal Audit

Dai-ichi Life has stipulated the basic philosophy and policies of internal audits in the “Internal Control Policy for Dai-ichi Life Group” and “Internal Control Policy”. In accordance with “Internal Control Policy”, Dai-ichi Life has established the “Internal Audit Regulations” to stipulate basic internal audit matters so that all executives and employees understand the importance of internal audits and so that all activities related to internal audits are implemented smoothly

and effectively. Dai-ichi Life has also established the “Internal Audit Operational Regulations” as practical rules for internal audits.

Internal Audit Framework

Dai-ichi Life has set up the Internal Audit Department as an independent organization to ensure it functions effectively in checking other organizations. The Internal Audit Department verifies the appropriateness and effectiveness of the internal control framework, including compliance and risk management, over entire corporate activities as well as business operations of the company, identifies flaws, provides advice for improvement and reports to the Board of Directors, the Executive Management Board, etc. on the results of internal audits.

Dai-ichi Life has set up the Group Internal Audit Unit in the Group Management Headquarters to strengthen the Group’s internal audit framework as a whole.

Handling of Antisocial Forces

Basic Recognition

Under the basic management policy of Securing Social Trust, all Dai-ichi Life organizations are united in their resolve to reject any coercion from antisocial forces that threatens the order and security of civil society or that disrupts sound economic and social development or corporate activities. Dai-ichi Life is fully committed to halting the development of any relationships with these forces in all of its transactions, including insurance policies, to prevent any damage from occurring.

Policies, Regulations, etc. Associated with the Handling of Antisocial Forces

In accordance with the Basic Internal Control Policy, which establishes basic approaches and policies to halt the development of any relationships with antisocial forces in order to prevent any damage, Dai-ichi Life has established regulations regarding antisocial forces. Moreover, based on its Code of Conduct, which establishes specific principles for the behavior of officers and employees, Dai-ichi Life endeavors to fully enforce these approaches, policies, and regulations. By establishing detailed standards, the Company clearly articulates rules for directors, executive officers, and employees, as well as specific steps to halt the development of any relationships with antisocial forces and prevent any damage.

The Company has established Group Antisocial Forces Handling Regulations under its Internal Control Policy for Dai-ichi Life Group, strengthening its unified Group-wide stance towards eliminating antisocial forces.

Systems for Handling Antisocial Forces

In an effort to hold company-wide deliberations with a wide range of participants about the handling of antisocial forces, Dai-ichi Life has established an Antisocial Forces Handling Committee. It has

also designated the General Affairs Department as the department in charge of streamlining and strengthening systems to block the development of any relationships with antisocial groups or to prevent damage that may occur.

Dai-ichi Life also has developed a system in which each department and branch office appoints a manager in charge of the handling of antisocial forces and a person who promotes the appropriate handling of antisocial forces. Under this system, if a department or a branch office is contacted by antisocial forces, receiving undue claims and other demands, the manager and the designated person of that department or office play the leading role to take an appropriate response against such forces by cooperating with the General Affairs Department.

Dai-ichi Life has made preparations whereby in the event business with an antisocial force is identified, the matter is reported to a director or other officer in a timely and appropriate fashion and efforts are made to promptly cut off the ties in question. Top management is also appropriately involved through procedures including regular reporting to the Board of Directors concerning the handling status of efforts to sever ties with antisocial forces.

In addition, to ensure that we have no relations with and to prevent damage related to antisocial forces, Dai-ichi Life is permanently committed to developing close cooperative systems with external specialist organizations, such as local police offices, the National Center for the Elimination of Boryokudan (Organized Crime Groups), and lawyers.

Dai-ichi Life has also established a Group General Affairs Unit at Group Management Headquarters and strives to ensure that Group companies work together to develop a highly effective stance to eliminate antisocial forces.

Achievement Highlights

Financial Highlights

Indicators Showing Major Business Performance Over the Past Five Years (Dai-ichi Life)

(Unit: billion yen)

Item	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Total assets	31,461.9	33,072.4	34,028.8	36,828.7	35,894.9
Balance of securities	25,333.4	27,161.9	28,005.1	30,673.3	30,250.1
Balance of loans	3,412.5	3,139.6	3,023.1	3,029.2	2,826.0
Separate account assets	1,115.6	1,230.7	1,243.4	1,259.4	1,042.8
Liabilities and net assets	31,461.9	33,072.4	34,028.8	36,828.7	35,894.9
Policy reserves and others	28,529.9	29,168.3	29,744.0	30,449.6	30,635.2
Balance of policy reserves	28,011.6	28,637.0	29,199.2	29,840.9	29,984.2
Amount of capital stock ^{*1}	420.4	420.4	420.4	686.2	686.2
Total number of shares outstanding ^{*2}	10 million shares	10 million shares	1,000 million shares	1,197 million shares	1,198 million shares
Annualized net premium from policies in-force ^{*3}	2,006.8	2,025.9	2,016.0	2,037.7	2,065.0
Individual insurance	1,682.8	1,663.1	1,640.1	1,638.3	1,629.9
Individual annuity insurance	323.9	362.7	375.9	399.3	435.0
Policy amount in-force ^{*4}	196,627.0	190,628.2	185,250.3	179,039.5	172,741.9
Individual insurance	138,597.9	133,344.7	128,094.8	121,655.7	114,816.0
Individual annuity insurance	7,537.5	8,516.8	8,798.3	9,291.5	9,905.6
Group insurance	50,491.5	48,766.6	48,357.1	48,092.2	48,020.2
Policy amount in-force for group annuity insurance ^{*5}	6,065.9	6,146.1	6,353.4	6,397.4	6,064.2
Ordinary revenues	4,398.2	4,315.9	4,384.6	4,798.4	4,265.7
Premium and other income	3,056.0	2,921.8	2,868.0	3,266.3	2,866.6
Ordinary expenses	4,154.4	4,142.1	4,077.0	4,389.7	3,921.5
Benefits and claims	2,508.7	2,467.7	2,439.1	2,718.1	2,681.3
Fundamental profit	302.4	314.5	399.8	458.2	465.4
Ordinary profit	243.7	173.8	307.6	408.7	344.2
Net income for the year	17.6	51.4	85.5	152.1	129.1
Solvency margin ratio ^{*6}	575.9%	715.2%	772.1%	913.2%	900.8%
Number of employees	56,852	56,976	55,603	54,090	54,617

*1: The amount of capital stock includes legal capital surplus.

*2: The Company conducted a 1:100 share split on October 1, 2013.

*3: Annualized net premium is calculated by applying multipliers for various payment terms to the premium per payment. In single premium contracts, for domestic business, the amount is calculated by dividing the premium by the duration of the policy.

*4: The policy amount in-force is the total policy amount in-force for individual insurance, individual annuity insurance, and group insurance.
For individual annuity insurance, the policy amount in-force is equal to the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and the amount of policy reserves for an annuity for which payments have commenced.

*5: The policy amount in-force for group annuity insurance is equal to the amount of outstanding policy reserves.

*6: The figures for fiscal 2011 through fiscal 2015 are calculated based on the provisions of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Official Notification No. 50 of 1996.

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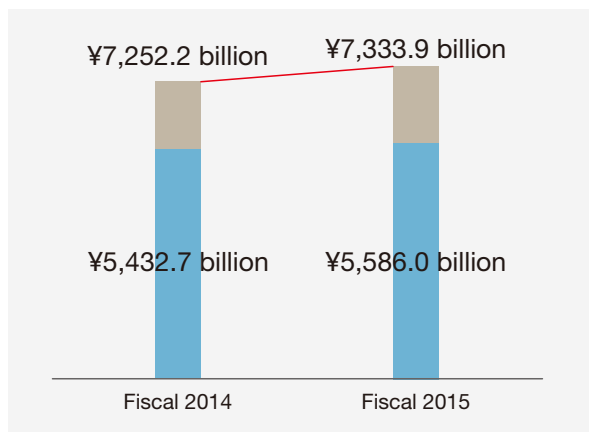
Review of Operations in the Most Recent Fiscal Year (Financial Highlights)

Consolidated Ordinary Revenues

¥7,333.9 billion (101.1% year on year)

Major factors for increase (decrease)

- Premium and other income increased, reflecting the consolidation of Protective Life.



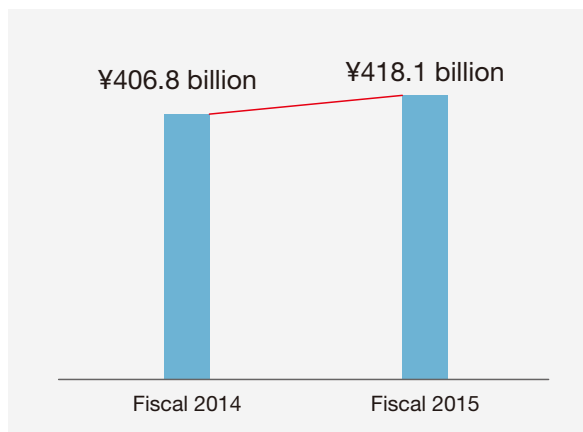
■ Premium and Other Income
■ Investment Income and other ordinary revenues

Consolidated Ordinary Profit

¥418.1 billion (102.8% year on year)

Major factors for increase (decrease)

- Consolidated ordinary revenues increased, reflecting the consolidation of Protective Life.



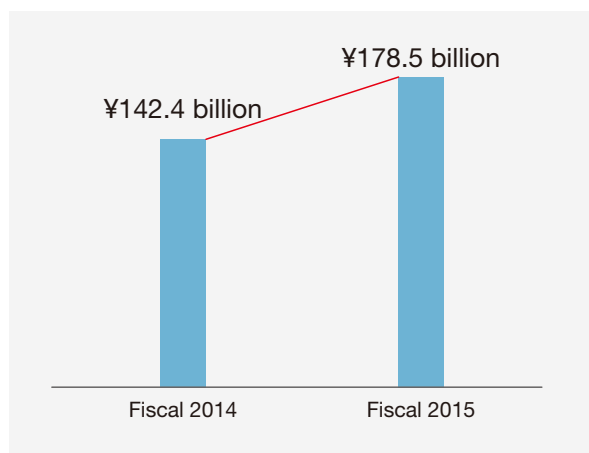
Note: Ordinary profit is the amount remaining after subtracting expenses (ordinary expenses) from revenues (ordinary revenues) that arise on a continuous basis each year from the core life insurance business.

Net Income Attributable to Shareholders of Parent Company

¥178.5 billion (125.3% year on year)

Major factors for increase (decrease)

- Dai-ichi Frontier Life became profitable and the results of reflecting the consolidation of Protective Life.

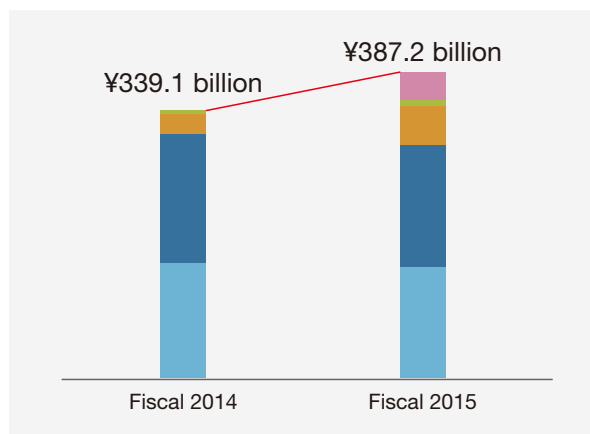


Annualized Net Premium for New Policies (Group)

¥387.2 billion
(114.2% year on year)

Major factors for increase (decrease)

- The results of Protective Life were incorporated.



■ Dai-ichi Life ■ Dai-ichi Frontier Life ■ Neo First Life
■ TAL ■ Dai-ichi Life Vietnam ■ Protective Life

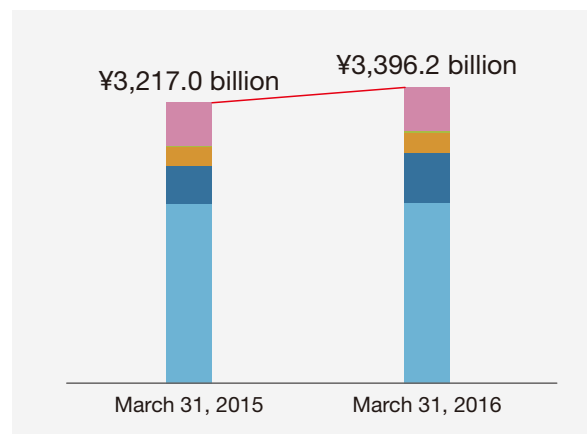
- Notes:** 1. For annualized net premiums for new policies of Neo First Life in fiscal 2014, actual results from July 2014 to March 2015 are stated.
2. For annualized net premiums for new policies of Protective Life in fiscal 2015, actual results from February to December 2015 are stated.
3. Including group insurance of TAL.

Annualized Net Premium from Policies In-force (Group)

¥3,396.2 billion
(105.6% year on year)

Major factors for increase (decrease)

- Strong sales of savings-type products at Dai-ichi Life and Dai-ichi Frontier Life



■ Dai-ichi Life ■ Dai-ichi Frontier Life ■ Neo First Life
■ TAL ■ Dai-ichi Life Vietnam ■ Protective Life

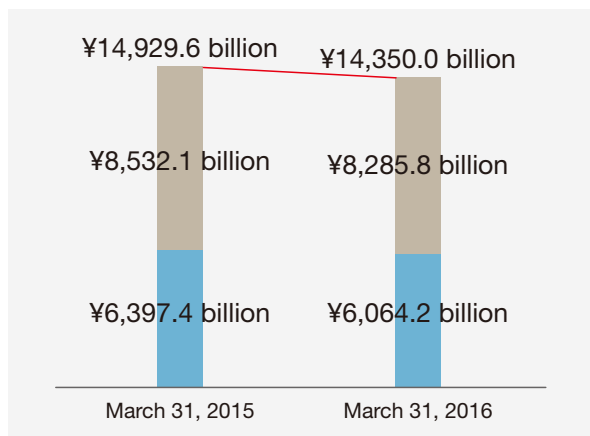
- Notes:** 1. For the annualized net premium from policies in-force of Neo First Life and Protective Life, actual results after making them wholly owned subsidiaries are stated.
2. Annualized net premium is calculated by applying multipliers for various payment terms to the premium per payment. In single premium contracts, for domestic business, the amount is calculated by dividing the premium by the duration of the policy.
3. Including group insurance of TAL.

Balance of Group Annuity Assets

¥14,350.0 billion
(96.1% year on year)

Major factors for increase (decrease)

- Declined slightly due to the outflow of assets under management associated with the dissolution of employees' pension funds.



■ Balance of the group annuity assets of DIAM
■ Group annuities

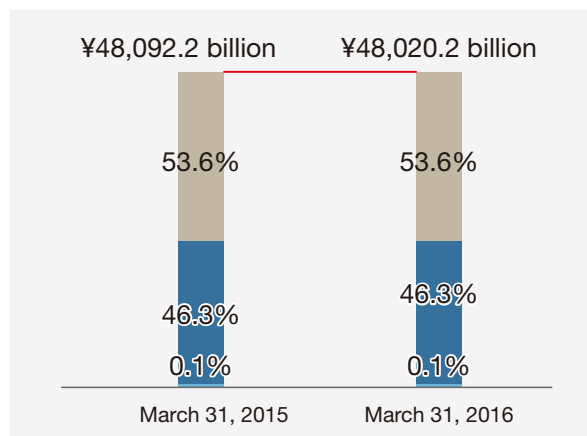
- Notes:** 1. Sum of policy amount in-force of group annuity insurance of Dai-ichi Life and the balance of group annuity assets of DIAM.
2. Balance of the group annuity assets of DIAM valued at market.
3. For group annuities, the amount of the policy reserves is stated.

Policy Amount In-force of Group Insurance

¥48,020.2 billion
(99.9% year on year)

Major factors for increase (decrease)

- Declined slightly mainly due to a fall in the number of groups that have group insurance associated with the revision of the welfare system, etc.



■ Group Term Life Insurance
■ Group Credit Life Insurance
■ Others

Assets and Liabilities

(Consolidated) Fiscal 2014 (billion yen)

Assets		Liabilities	
Total assets	49,837.2	Total liabilities	46,247.2
Cash and deposits	873.4	Policy reserves and others	42,547.0
Call loans	380.4	Policy reserves	41,634.7
Securities	41,105.4	Reserve for price fluctuations	136.2
Loans	3,898.1	Net Assets	
		Total net assets	3,589.9

(Consolidated) Fiscal 2015 (billion yen)

Assets		Liabilities	
Total assets	49,924.9	Total liabilities	46,991.9
Cash and deposits	843.4	Policy reserves and others	43,894.0
Call loans	116.9	Policy reserves	42,922.5
Securities	41,560.0	Reserve for price fluctuations	155.2
Loans	3,715.5	Net Assets	
		Total net assets	2,932.9

(Non-consolidated) Fiscal 2014 (billion yen)

Assets		Liabilities	
Total assets	36,828.7	Total liabilities	33,277.4
Cash and deposits	663.4	Policy reserves and others	30,449.6
Call loans	355.3	Policy reserves	29,840.9
Securities	30,673.3	Reserve for price fluctuations	132.4
Loans	3,029.2	Net Assets	
		Total net assets	3,551.3

(Non-consolidated) Fiscal 2015 (billion yen)

Assets		Liabilities	
Total assets	35,894.9	Total liabilities	32,791.7
Cash and deposits	528.3	Policy reserves and others	30,635.2
Call loans	116.9	Policy reserves	29,984.2
Securities	30,250.1	Reserve for price fluctuations	148.4
Loans	2,826.0	Net Assets	
		Total net assets	3,103.1

Status of Assets

During fiscal 2015, Dai-ichi Life continued to position fixed income investments, including domestic bonds, as the core of its asset portfolio, so that they are consistent with its medium to long-term investment policies. Meanwhile, Dai-ichi Life curbed the accumulation of policy reserve matching bonds consisting primarily of super-long term government bonds, reflecting the continuation of the low interest rate environment. Considering investment efficiency with its fixed income assets, the Company stepped up investment in foreign currency-denominated bonds with currency hedges in an effort to enhance its Asset Liability Management ("ALM") strategy and increase its profitability.

In addition, the Company flexibly changed allocation in risk assets such as domestic stocks and foreign securities primarily to increase profitability through diversified investments while paying attention to market trends.

Total assets (non-consolidated) at the end of fiscal 2015 declined by ¥933.8 billion from the end of the previous fiscal year, to ¥35,894.9 billion, mainly due to a decrease in the market value of securities, chiefly reflecting falling stock prices and the appreciation of the yen.

Explanation of Major Liability Items

Policy Reserves and Others

Policy reserves and others consist of policy reserves, reserve for outstanding claims, and reserve for policyholder dividends.

Policy reserves are established for the fulfillment of insurance claims and other payments related to the Company's outstanding policies that are expected to be paid in the future. The reserve for outstanding claims is a reserve for potential claims such as insurance claims, other payments, and benefits that remained outstanding as of the balance sheet date. The reserve for policyholder dividends is a reserve used to fund the payment of policyholder dividends.

Accumulation Level of Policy Reserves

The accumulation level of policy reserves is determined by the accumulation method and actuarial assumptions.

Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life have accumulated standard policy reserves based on the criteria stipulated by the Insurance Business Act, etc., and have adopted the most conservative method among those required by law. Effective in fiscal 2007, Dai-ichi Life is also accumulating additional policy reserves for whole life insurance policies with a high assumed rate of return after the completion of premium payments to increase its financial stability.

Reserve for Price Fluctuations

Reserve for price fluctuations is a reserve the Company maintains in preparation for losses due to a fall in the price of assets such as stocks whose prices fluctuate rapidly.

Revenues and Expenditures

(Consolidated)

(billion yen)

	Fiscal 2014	Fiscal 2015
Ordinary revenues	7,252.2	7,333.9
Premium and other income	5,432.7	5,586.0
Investment income	1,444.0	1,344.8
Ordinary expenses	6,845.4	6,915.7
Benefits and claims	3,380.8	3,830.9
Provision for policy reserves and others	2,271.2	1,496.3
Investment expenses	168.9	524.0
Operating expenses	559.3	661.3
Ordinary profit	406.8	418.1
Extraordinary gains	3.3	0.3
Extraordinary losses	29.4	55.2
Net income ^{Note}	142.4	178.5

(Non-consolidated)

(billion yen)

	Fiscal 2014	Fiscal 2015
	4,798.4	4,265.7
	3,266.3	2,866.6
	1,174.4	1,060.0
	4,389.7	3,921.5
	2,718.1	2,681.3
	702.8	209.1
	131.2	273.9
	398.5	404.1
	408.7	344.2
	3.0	0.2
	27.2	52.2
	152.1	129.1

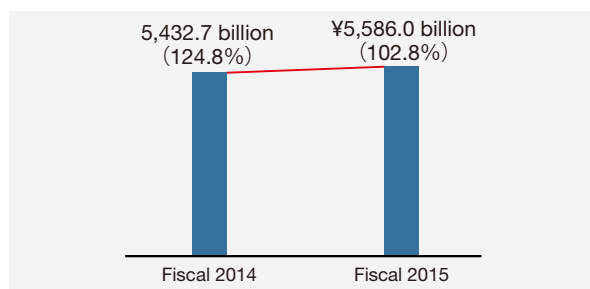
Note: For consolidated net income, net income attributable to shareholders of parent company is stated.

Premium and Other Income (Consolidated)

¥5,586.0 billion (102.8% year on year)

Major factors for increase (decrease)

- Results of Protective Life were reflected.

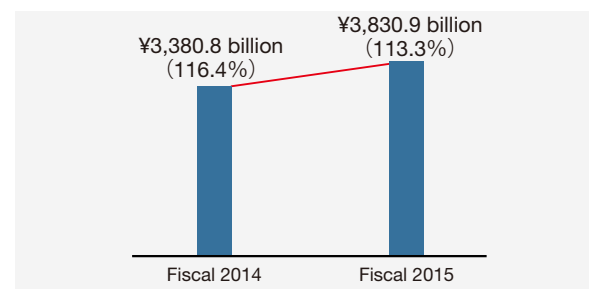


Benefits and Claims (Consolidated)

¥3,830.9 billion (113.3% year on year)

Major factors for increase (decrease)

- Results of Protective Life were reflected.



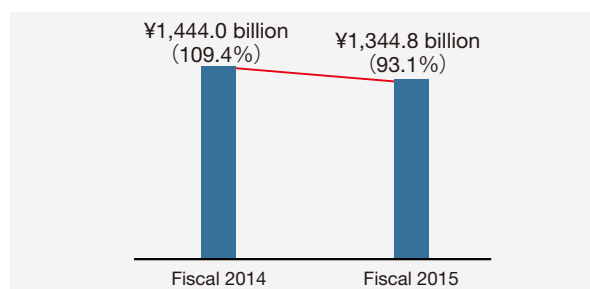
Investment Income (Consolidated)

¥1,344.8 billion (93.1% year on year)

Major factors for increase (decrease) in net investment income

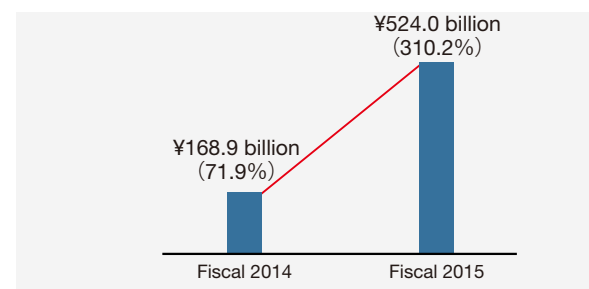
- Net investment income declined in fiscal 2015 because of the posting of a losses on investments in separate accounts due to the deterioration in the financial and economic environment, while gains on investments in separate accounts were recorded in fiscal 2014.

Note: Gains (losses) on investments in separate accounts are offset by a provision for (reversal of) policy reserves and accordingly they have no impact on ordinary profit.



Investment Expenses (Consolidated)

¥524.0 billion (310.2% year on year)



Provision for Reserve for Policyholder Dividends

To pay policyholder dividends, the Company has accumulated a reserve for policyholder dividends. In fiscal 2015, the Company provided ¥97.5 billion for the reserve. The Company specified in its Articles of Incorporation that the rate of policyholder dividends shall be 20% or more, and the rate of policyholder dividends for fiscal 2015 was 46.5%.

Notes: 1. The rate of policyholder dividends is the ratio of provision for reserve for policyholder dividends (¥97.5 billion for fiscal 2015) to the amount (¥209.3 billion for fiscal 2015) equivalent to net income for the year (the amount before recording a provision for reserve for policyholder dividends) calculated by segmenting policies that pay policyholder dividends from profits and losses of policies.
2. See page 103 for information on the policyholder dividends in fiscal 2016.

Summary of Investment Results

Summary of General Account Assets^{*1}

Balance of Cash and Deposits Kept Low

While domestic interest rates remained low, Dai-ichi Life sought to improve investment efficiency by keeping the balance of cash and deposits low.

Domestic Bonds: Increase

Taking the low interest rate environment into consideration, the Company curbed the accumulation of investments in policy reserve-matching bonds consisting primarily of super-long term government bonds. The Company also sought to carefully select and diversify various credit risk products, including corporate bonds and securitized products, in accordance with its internal guidelines on risk-adjusted credit-spread^{*2}. As a result, the balance of domestic bonds increased.

Domestic Stocks: Decrease

The balance of domestic stocks decreased as a result of a fall in stock prices. To improve the profitability of the portfolio, the Company invested in the stocks of certain companies and sectors that can be expected to grow over the medium to long terms, based on corporate research by in-house analysts.

Foreign Bonds: Flat

The Company actively invested in foreign currency-denominated bonds with currency hedges, aiming to improve investment efficiency with its fixed income assets (focusing on international interest spreads), while flexibly changing the allocation of foreign currency-denominated bonds without currency hedges, taking into account market trends. As a result of this investment operation and the appreciation of the yen, the total balance of foreign bonds remained unchanged. Meanwhile, the Company also made efforts to improve its investment efficiency and to control risk by diversifying its portfolio by sector and currency.

Foreign Stocks: Decrease

The balance of foreign stocks decreased as a result of falling stock prices and the stronger yen although the Company increased the balance of foreign stocks in its portfolio to improve the portfolio's profitability and strengthen the diversification of its asset management. The Company continued to focus on diversification in terms of investment style and the geographical composition of its foreign stock portfolio, utilizing both third-party asset managers and in-house managers^{*3}.

Loans: Decrease

The total balance of loans decreased mainly due to contract maturities. The Company also provided loans to acquire excess returns by setting adequate risk-adjusted spreads, while paying attention to the credit spread trends in the bond market.

Real Estate: Flat

The Company sought to improve the profitability of the portfolio by renegotiating rents and improving occupancy rates in its existing real estate portfolio, in addition to investments in new properties including housing and the sale of unprofitable properties. The Company also took steps to increase the value of existing real estate by promoting its effective use through renovation and remodeling, etc.

Asset Investment Yield (general account)

	Fiscal 2014	Fiscal 2015
Rate of return of investment on fundamental profit	2.74%	2.76%
Investment yield	2.71%	2.50%

Rate of return of investment on fundamental profit = (Return of investment in fundamental profit – Interest on policyholder dividends)/Policy reserves
 Investment yield = Net investment income / Average daily balance of general account assets



*1: Changes in assets are based on the book value on the balance sheets.

*2: Credit spread
Yield in excess of the yield on government bonds

*3: In-house management
Asset management undertaken by the Company itself, without assigning the management to third-party investment managers.

Future Policies

The Company will continue to conduct its portfolio management focusing on fixed-income assets such as public and corporate bonds in an effort to ensure stable investment profit based on its medium- and long-term investment policy. Risk assets such as domestic stocks and foreign securities allocated primarily to increase the Company's earnings strength through diversified investment will be flexibly allocated while paying full attention to market trends.

Policyholder Dividends in Fiscal 2016

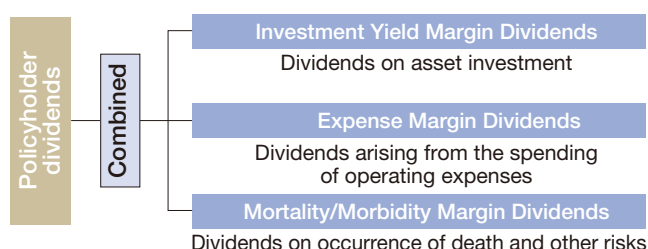
Overview of Policyholder Dividends in Fiscal 2016

Individual insurance/ individual annuities	The Company raised part of the mortality margin dividend scale. The investment yield margin dividend scale and the expense margin dividend scale remained unchanged from the standards of the previous year.
Group insurance	Policyholder dividends, including group term insurance, comprehensive welfare group term insurance, and group credit life insurance, remain unchanged from the standards of the previous year.
Group annuities	As a result of applying the investment performance in fiscal 2015, the investment yield margin dividend scale of products with an assumed investment yield of 1.25% and surrender charge and with a “special provision concerning the calculation of surrender charge according to market rates” will be 0.53%. Meanwhile, the investment yield margin dividend scale of these products without the special provision will be 0.38%, the investment yield margin dividend scale of products with an assumed investment yield of 1.25% and no surrender charge will be 0.12%, and the investment yield margin dividend scale of products with an assumed investment yield of 0.75% will be zero. Policyholder dividends for guaranteed fixed-term rate defined contribution annuity insurance are zero.

Scheme of policyholder dividends in individual insurance and individual annuities

Premiums are calculated based on three predetermined rates (assumed investment yield, assumed operating expense rate, and assumed rate of mortality/morbidity). A profit margin resulting from differences between the schedule or assumptions and actual rates in the annual settlement of accounts will be subject to payment to policyholders as policyholder dividends according to the details of individual policies. Policyholder dividends are calculated for each policy, taking into account both the base policy and riders. Negative dividends are counted as zero.

Scheme of policyholder dividends



Dividend types

● Annual dividend type

Policyholder dividends will be paid from the third year of the policy.

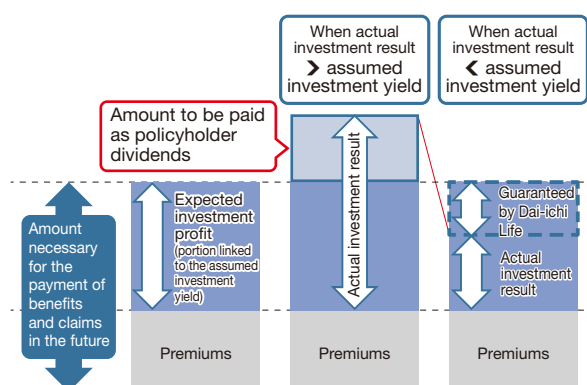
● Five-year (investment yield margin) dividend type

Policyholder dividends will be paid every five years starting from the sixth year of the policy.

In fiscal 2016, policyholder dividends for policies that started in fiscal 1996, 2001, 2006 and 2011 will be paid.

A certain amount of profit is assumed in advance in asset management, and life insurance premiums are determined by deducting the assumed amount of profit in the form of an assumed investment yield. If the actual result is below the assumption, policyholder dividends may not be paid. The agreed premiums will not change even when policyholder dividends cannot be paid.

Chart (example when considering only the assumed investment yield)



Investment yield margin dividend scale in fiscal 2016

The “investment yield margin dividend scale” is the difference between the standard yield for policyholder dividends determined by the Company based on asset investment condition and the assumed investment yield of each policy (gain on asset management assumed in advance).

Investment yield margin dividend scale in fiscal 2016 is as follows.

Investment yield margin dividend scale by assumed investment yield (example)

Assumed investment yield	5.5%	4.75%	3.75%	2.75%	2.15%	1.65%	1.15%
Investment yield margin dividend scale	(4.85%)	(3.9%)	(2.75%)	(1.65%)	(1.05%)	0.1%	0.6%

Investment yield margin dividends in the five-year (investment yield margin) dividend type are calculated by summing up those for five years, using the investment yield margin dividend scale from fiscal 2012 to fiscal 2016.

(Reference) Standard yields for policyholder dividends in fiscal 2016

Policies with the assumed investment yield of 2% or less: 1.75%
 Policies with the assumed investment yield of more than 2% and not more than 3%: 1.10%
 Policies with the assumed investment yield of more than 3% and not more than 4%: 1.00%
 Policies with the assumed investment yield of more than 4% and not more than 5%: 0.85%
 Policies with the assumed investment yield of more than 5%: 0.65%

However, some policies such as single premium endowment insurance and single premium whole life insurance may be different from the above.

Embedded Value

At the end of fiscal 2015 (The Dai-ichi Life Group)

¥4,646.1 billion

(At the end of fiscal year 2014: ¥5,987.6 billion)

(Dai-ichi Life on a non-consolidated basis)

At the end of fiscal year 2015:
¥4,441.4 billion

(At the end of fiscal year 2014: ¥5,908.8 billion)

The embedded value (EV) is one of the indicators representing the corporate value of life insurance companies. While it takes time to realize accounting profits under the existing statutory accounting for life insurance companies, it is believed that EV is able to reinforce financial information in statutory accounting as EV recognizes the contribution of future profits at the time of acquiring new policies.

The Dai-ichi Life Group has been disclosing EV in accordance with the European Embedded Value (EEV) Principles since the end of fiscal 2007. EEV at the end of fiscal 2015 declined from the end of the previous fiscal year to ¥4,646.1 billion, due to falling stock prices, the stronger yen and a significant decline in interest rates.

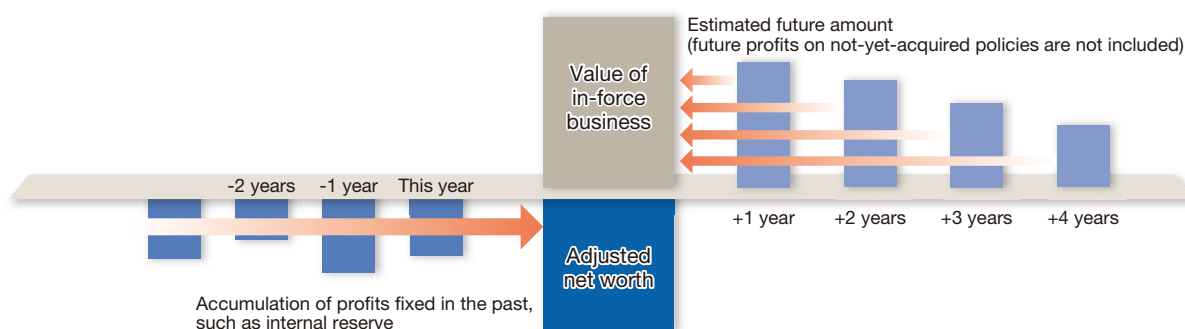
EEV of the Dai-ichi Life Group

(Unit: billion yen)

	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016
EEV	4,294.7	5,987.6	4,646.1
Adjusted net worth	3,431.3	5,540.8	6,287.3
Value of in-force business	863.3	446.8	(1,641.2)
Value of new business	255.4	286.1	216.1

Note: In light of trends in global regulations, the assumption of super-long-term interest rates was changed in fiscal 2015 in favor of adopting the ultimate forward rate for the Japanese yen. The ultimate forward rate is based on the concept that interest rates in the remote future will converge to a certain level (long-term equilibrium rate of interest). To make a consistent evaluation, figures for fiscal 2014 are also re-evaluated using the same method.

(EV Chart)



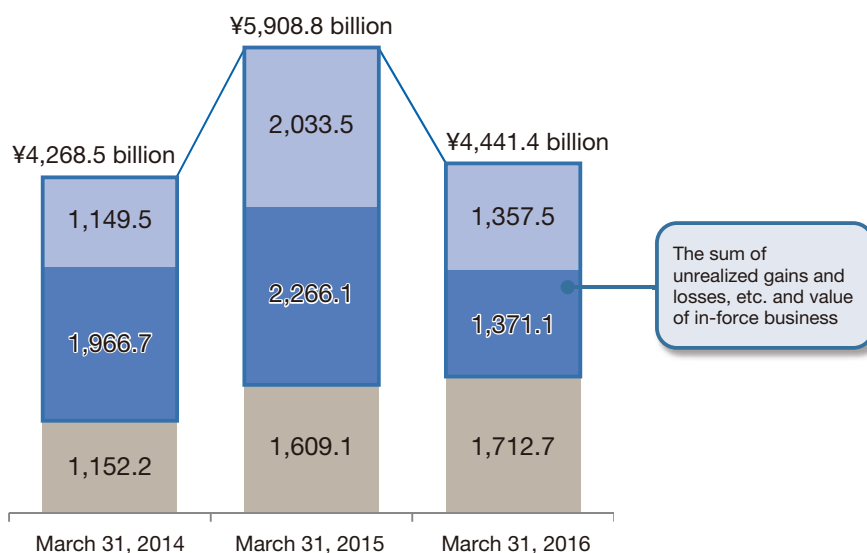
Note: This graph is for illustrative purposes only and does not pertain to actual results, etc.

Adjusted net worth	Adjusted net worth is calculated by adjusting the total net assets on the balance sheet mainly by adding retained earnings in liabilities, and unrealized gains and losses in assets not accounted for under the mark-to-market methodology.
Value of in-force business	The value of in-force business is the present value as at the year end of future after-tax profits arising from already-acquired policies in force in each fiscal year. For the discount rate and the investment yield, the interest rate of government bonds as of the fiscal year end is used.
Value of new business	The value of new business is the value at the time of sale, after all acquisition-related costs, of the new policies obtained during the fiscal year (one year).

■ EEV of Dai-ichi Life

EEV of Dai-ichi Life at the end of fiscal 2015 declined from the end of the previous fiscal year to ¥4,441.4 billion, reflecting the effect of falling interest rates.

Of EEV, the sum of unrealized gains and losses, etc. included in adjusted net worth and value of in-force business is deemed to be an amount that is expected to be realized as accounting profits in the future. The sum of unrealized gains and losses, etc. and the value of in-force business of Dai-ichi Life continues to stay positive, despite the effect of the financial environment.



■ : Unrealized gains and losses, etc. of other than fixed income assets.

■ : Unrealized gains and losses of fixed income assets* + Value of in-force business

■ : Total net assets on balance sheet + Internal reserves classified as liabilities

*Fixed income assets include yen-denominated bonds, foreign currency-denominated bonds with hedges, and loans.

The Dai-ichi Life Group requested a third party (an actuarial firm) with expertise in actuarial calculations to review the assumptions and calculation method, and provide a written opinion. For information on this written opinion and the details of the EEV of the Dai-ichi Life Group, please refer to the “Disclosure of European Embedded Value as of March 31, 2016” (http://www.dai-ichi-life.co.jp/english/investor/financial/results/2015/pdf/index_026.pdf) posted on the Company’s website.

The calculation of EV involves certain assumptions regarding future projections that are subject to risks and uncertainties. Actual future results may differ materially from the assumptions used in the EV calculations. Moreover, changes in assumptions might cause significant changes in future results. We therefore ask that full care be exercised when using or analyzing EV figures.

Fundamental Profit

For fiscal year 2015 (the Dai-ichi Life Group)

¥535.1 billion

(For fiscal year 2014: ¥472.0 billion)

(Dai-ichi Life on a non-consolidated basis)

For fiscal year 2015: ¥465.4 billion

(For fiscal year 2014: ¥458.2 billion)

Note: The value stated as the fundamental profit (the Dai-ichi Life Group) is obtained by offsetting the sum of fundamental profits of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life, Protective's operating income before tax, TAL's underlying profit before tax and Dai-ichi Life Vietnam's net income before tax (after partial elimination of intra-group transactions).

Fundamental profit is an indicator that shows the profit and loss situation of the core insurance business of a life insurance company during the term under review. It consists of insurance-related income and expenditures such as premium income and payment of insurance claims and benefits and operating expenses, as well as investment-related income and expenditures centering on interests and dividends.

The fundamental profit for fiscal 2015 (the Dai-ichi Life Group) increased by ¥63.1 billion from the previous fiscal year, to ¥535.1 billion, which was primarily attributable to an improvement in investment income and a decrease in the total assumed investment return due to the accumulation of additional policy reserves.

Positive Spread (Negative Spread)

For fiscal year 2015
(Sum of domestic insurance companies)

¥106.4 billion

(Positive spread in fiscal 2014: ¥74.3 billion)

(Dai-ichi Life on a non-consolidated basis)

Positive spread in fiscal 2015: ¥97.8 billion

(Positive spread in fiscal 2014: ¥69.2 billion)

Insurance companies guarantee policyholders a certain level of return from their investments in advance, and calculate premiums by discounting the assumed investment income. This discount rate is called the assumed investment yield. 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 investment return, the state is called a positive spread, and if it is short, the difference is called a negative spread.

● Calculation Formula for Positive (Negative) Spread Amount (For Dai-ichi Life on a non-consolidated basis)

Positive spread amount (¥97.8 billion)	=	$\left(\begin{array}{l} \text{Actual rate of investment} \\ \text{return on fundamental profit}^{*1} \end{array} - \begin{array}{l} \text{Average assumed} \\ \text{investment yield}^{*2} \end{array} \right) \times \left(\begin{array}{l} \text{Policy reserves for} \\ \text{general account}^{*3} \end{array} \right)$
		$\begin{array}{l} (2.76\%) \\ (2.41\%) \end{array} \quad \times \quad (\text{¥27,886.3 billion})$

*1: Actual investment yield on fundamental profit = (return of investment in fundamental profit^{*4} – interest on policyholder dividends^{*5}) / policy reserves for general accounts

*4: Return of investment in fundamental profit = (interest and dividends + gains on redemption of securities + other investment income) – (interest expenses + losses on redemption of securities + provision for general reserve for possible loan losses + depreciation of real estate for rent and others + other investment expenses)

*5: Interest on policyholder dividends refers to interest on dividends reserved at the insurance company, which is recorded in the income statement as Provision for Interest on Policyholder Dividends.

*2: Average assumed investment yield is calculated by dividing the numerator as assumed interest (general accounts only) by the denominator as policy reserves in general accounts

*3: Policy reserves in general accounts represents the earned policy reserve calculated for policy reserves in general accounts less the contingency reserve, which is calculated as follows: (policy reserves at the beginning of the period + policy reserves at the end of the period – assumed interest) × $\frac{1}{2}$

Solvency Margin Ratio

At the end of fiscal year 2015 (For Dai-ichi Life on a non-consolidated basis)

900.8%

(At the end of fiscal year 2014: 913.2%)

At the end of fiscal year 2015 (Consolidated)

763.8%

(At the end of fiscal year 2014: 818.2%)

The 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 on securities and other assets (solvency margin total), 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. A solvency margin ratio exceeding 200% is one indication that an insurance company has met the standards for general financial stability.

The non-consolidated solvency margin ratio of the Company at the end of fiscal 2015 was 900.8%, a slight decline from the level at the end of the previous fiscal year due to a decrease in unrealized gains on securities based on the stronger yen and lower stock prices.

Method for calculating the solvency margin ratio

$$\text{Solvency Margin Ratio} = \frac{\text{Total solvency margin amount}}{\text{Total risk amount} \times \frac{1}{2}} \times 100\%$$

Adjusted Net Assets

At the end of fiscal year 2015 (For Dai-ichi Life on a non-consolidated basis)

¥10,072.9 billion

(At the end of fiscal year 2014: ¥9,101.2 billion)

At the end of fiscal year 2015 (Consolidated)

¥10,227.9 billion

(At the end of fiscal year 2014: ¥9,430.7 billion)

Adjusted net assets are real net worth derived by subtracting non-capital adjusted liabilities^{*2} from adjusted assets at fair market value^{*1}. They serve as one of the indicators used by the supervising administrative agency to ascertain the financial soundness of insurance companies.

The non-consolidated adjusted net assets of the Company at the end of fiscal 2015 increased from the end of the previous fiscal year to ¥10,072.9 billion, mainly due to an increase in unrealized gains on policy-reserve-matching bonds associated with falling interest rates in Japan.

^{*1}: Adjusted assets represent assets reported in the balance sheet plus unrealized gains/losses and other off-balance-sheet assets.

^{*2}: Adjusted liabilities are calculated by deducting various reserves and allowances from on-balance-sheet liabilities.

Note: If adjusted net assets fall into negative territory, the Company could receive a suspension of operations notice from the supervisory authorities.

Unrealized Gains (Losses) on General Account Assets

At the end of fiscal year 2015

¥6,334.6 billion

(At the end of fiscal year 2014: ¥5,550.7 billion)

Total Net Unrealized Gains (Losses) on General Account Assets (Unit: billion yen)

Item	Fiscal 2014	Fiscal 2015
Securities	5,491.7	6,212.0
Domestic bonds	2,236.8	4,022.9
Domestic stocks	1,785.6	1,312.8
Foreign securities ^{*1}	1,400.8	850.8
Foreign bonds	1,011.6	678.7
Foreign stocks and other securities	389.2	172.0
Other securities	54.4	12.5
Others ^{*2}	13.8	12.8
Real estate ^{*3}	75.5	130.3
Total (including others not listed above) ^{*4}	5,550.7	6,334.6

*1: Foreign exchange valuation gains (losses) only are taken into account for foreign securities whose fair value is deemed extremely difficult to recognize.

*2: "Others" includes assets that are considered appropriate to handle as securities, as defined in the Financial Instruments and Exchange Act.

*3: Difference between the book value before revaluation and fair value is reported as unrealized gains (losses) of land.

*4: Unrealized gains (losses) on loans and buildings are not recorded.

Unrealized gains and losses represent differences between the fair value of assets (securities, real estate, etc.) held and their book value.

Unrealized gains act as a defense against the different types of risks to which Dai-ichi Life is exposed and leave more room for risk-taking in investments, making a substantial contribution to the increase in profitability.

Unrealized gains on securities as of March 31, 2016 increased by ¥720.3 billion from the end of the previous fiscal year to ¥6,212.0 billion, mainly reflecting lower interest rates in Japan. Unrealized gains on real estate (land, etc.) increased by ¥54.7 billion from a year earlier, to ¥130.3 billion. As a result, total unrealized gains on all general account assets increased by ¥783.9 billion, to ¥6,334.6 billion.

Ratings

As of June 30, 2016

Rating and Investment Information
(R&I)

A+

(Rating on Insurance
Claims Paying Ability)

Japan Credit Rating Agency
(JCR)

A+

(Rating on Ability to
Pay Insurance Claims)

Standard & Poor's
(S&P)

A+

(Insurer Financial
Strength Rating)

Fitch Ratings
(Fitch)

A+

(Insurer Financial
Strength Rating)

Note: The above ratings represent the opinions of the rating agencies, and do not guarantee the payment of insurance benefits, etc. The ratings may change at the discretion of the rating agencies.

Ratings are given and published by independent third-party agencies primarily as their opinions about the financial soundness of businesses. Ratings for life insurance companies usually represent the degree of certainty with which insurance claims, annuities, etc. are paid in accordance with the policies involved.

As shown above, the Company has received high ratings from all of the rating agencies.

Status of DSR Management Promotion

DSR Management Promotion System

Our DSR management initiatives are promoted by the “Committee for Dai-ichi’s Social Responsibility Promotion,” chaired by the president. Under the committee’s umbrella, four special committees are established to address core challenges in DSR Management to increase the effectiveness of each initiative. Furthermore, as part of efforts to improve management quality and create value continuously through the PDCA cycle, we have set up Branch DSR Committees at each of our branch offices, and Unit Office DSR Committees at each of our unit offices.



List of Indexes to Work on

Category	Indexes to Work on	Explanation of the Index	Fiscal 2014	Fiscal 2015	Target
Quality Assurance	Percentage of positive responses of the total satisfaction in the customer satisfaction survey	Total percentage of responses “very satisfied,” “satisfied” and “somewhat satisfied” in the online questionnaire given to individual customers	70.7%	70.9%	Improved from a year earlier
	Number of customer complaints	—	51,253	46,929	— ^{*1}
Corporate Citizenship and Environmental Activities	Percentage of volunteer activities involvement	Percentage of departments where 50% or more of employees (or 50 employees or more) in the department participate in volunteer work (head office)	50.0%	65.4%	Fiscal 2016 70%
	CO ₂ emissions	Total CO ₂ emissions ^{*2} from the Company’s investment property, business-use property, and welfare property	141,000 t-CO ₂	137,500 t-CO ₂	Fiscal 2017 154,560 t-CO ₂ ^{*3}
	Total paper usage	Total amount of paper used at the Group companies (photocopy paper, pamphlets, policy illustration (policy overview), etc.)	6,509 t	6,291 t	Fiscal 2017 6,388t ^{*3}
Promoting Health	Percentage of employees maintaining a desirable body weight	Percentage of employees with a BMI ^{*4} score of less than 25	Male: 70.6% Female: 77.9%	Male: 70.7% Female: 77.5%	Fiscal 2017 ^{*5} Male: 71.1% Female: 79.2%
	Percentage of employees doing regular exercise	Percentage of employees continuing more than 30-minute exercise twice or more per week for one year or more	Male: 34.7% Female: 27.1%	Male: 36.6% Female: 27.3%	Fiscal 2017 ^{*5} Male: 36.8% Female: 29.1%
	Smoking rate	Percentage of smokers	Male: 31.0% Female: 27.6%	Male: 30.7% Female: 26.5%	Fiscal 2017 ^{*5} Male: 24.7% Female: 22.4%
Employee Satisfaction and Diversity & Inclusion	Results of employee satisfaction survey	The average of major items (5 points in full marks) in a questionnaire sent to employees of the Company	3.51	3.58	Fiscal 2017 ^{*6} 3.62
	Percentage of females in managerial posts	Percentage of women in managerial positions (department head or equivalent and section chief or equivalent)	22.5% ^{*7}	23.3% ^{*7}	April 2018 ^{*7} 25% or more
	Percentage of employees with disabilities	Percentage of employees as of June 1 in the following year	2.25%	2.23%	— ^{*8}

^{*1}: The Company strives to improve its business by using customer feedback (customer complaints) without setting a quantitative target.

^{*2}: Calculated based on the provisions of Article 7, paragraph 3 of the Act on the Rational Use of Energy (“Energy-saving Act”). The fiscal 2009 coefficient is applied to total emissions in each fiscal year.

^{*3}: Targets in the 2015-2017 Medium-term Environmental Effort Plan. The targets for CO₂ emissions and total paper use were exceeded, and the Company continues to take steps to achieve further reductions.

^{*4}: BMI is the degree of obesity calculated from height and weight (BMI of 25 or more is classified as obesity).

^{*5}: The targets in the Medium-Term Health Enhancement Plan for fiscal 2015 to fiscal 2017 (Percentage of employees engaging in regular exercise: Because the target was exceeded among males, a new target for fiscal 2016 has been set up). The target is set by counting backward and dividing the target for 2022 in the Healthy Japan 21 (second campaign) of the Ministry of Health, Labour and Welfare proportionally into the relevant periods.

^{*6}: The employee satisfaction survey is positioned as a tool to help quantitatively understand the current situation and effect of activities and facilitate problem solving.

^{*7}: Includes domestic life insurance companies in the Group (Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life)

^{*8}: The percentage of employees with disabilities is one in compliance with the statutory rate of disability employment.

Status of DSR Management Promotion

Participation in External Initiatives

Dai-ichi Life promotes activities aiming to achieve a sustainable society through participation in domestic and overseas initiatives.

■ The United Nations Global Compact (UNGC)

The UNGC is a set of principles on the behavior for human rights, labour, the environment, and anti-corruption, proposed by the former UN Secretary General Kofi Annan. It encourages participating companies to behave as good members of society, aiming to achieve sustainable growth. Dai-ichi Life joined the initiative in May 2014.



Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labour;
	Principle 5: the effective abolition of child labour; and
	Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

■ Women's Empowerment Principles (WEPs)

The Women's Empowerment Principles (WEPs), a joint initiative of United Nations Global Compact (UNGC) and UN Women, are a set of comprehensive principles that offer guidance to business on how to empower women in the workplace, marketplace and community. The 7 principles were developed from real life business practice and seek to elaborate the gender dimension of good corporate citizenship, the UNGC's 10 principles, and businesses' role in sustainable development. Dai-ichi Life signed the CEO Statement of Support for the Women's Empowerment Principles in December 2012.



■ Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)

The Principles for Financial Action for the 21st Century provide action guidelines for the overall CSR of financial institutions wishing to play a role and take responsibilities necessary for the formation of sustainable society. Dai-ichi Life participated in the development of the principles as a member of the draft committee and signed up in November 2011.



■ The United Nations Principles for Responsible Investment (PRI)

PRI is an initiative to propose incorporating ESG (Environmental, Social and Governance) issues into the investment decision-making process to institutional investors in order to realize a sustainable society.

In the Dai-ichi Life Group, four companies (Dai-ichi Life, DIAM Co., Ltd.*, Janus Capital Management LLC and INTECH Investment Management LLC) agree on the PRI and have signed it.

*DIAM Co., Ltd. is to become Asset Management One Co., Ltd., a new company established through integration with asset management companies and departments of Mizuho Financial Group (the asset management department of Mizuho Trust & Banking Co., Ltd., Mizuho Asset Management Co., Ltd. and Shinko Asset Management Co., Ltd.), on October 1, 2016.

Signatory of:



FINANCIAL SECTION

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Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2015	2016	2016
(ASSETS)			
Cash and deposits	873,444	843,405	7,484
Call loans.....	380,400	116,900	1,037
Monetary claims bought.....	265,813	239,299	2,123
Money held in trust.....	65,283	87,476	776
Securities.....	41,105,413	41,560,060	368,832
Loans.....	3,898,148	3,715,562	32,974
Tangible fixed assets	1,217,070	1,178,817	10,461
Land	804,035	795,829	7,062
Buildings.....	402,693	371,304	3,295
Leased assets	4,687	4,712	41
Construction in progress.....	850	2,402	21
Other tangible fixed assets.....	4,804	4,567	40
Intangible fixed assets.....	437,677	407,367	3,615
Software	63,364	63,268	561
Goodwill	79,293	54,832	486
Other intangible fixed assets.....	295,019	289,266	2,567
Reinsurance receivable	101,290	105,876	939
Other assets	1,401,047	1,573,118	13,960
Net defined benefit assets.....	705	764	6
Deferred tax assets	1,379	1,344	11
Customers' liabilities for acceptances and guarantees	91,648	97,056	861
Reserve for possible loan losses.....	(2,120)	(1,702)	(15)
Reserve for possible investment losses	–	(423)	(3)
Total assets	49,837,202	49,924,922	443,068
(LIABILITIES)			
Policy reserves and others	42,547,013	43,894,014	389,545
Reserves for outstanding claims.....	506,735	580,778	5,154
Policy reserves	41,634,712	42,922,534	380,924
Reserve for policyholder dividends.....	405,566	390,701	3,467
Reinsurance payable.....	56,248	75,883	673
Bonds payable	489,045	485,682	4,310
Other liabilities.....	1,864,717	1,486,611	13,193
Net defined benefit liabilities	331,322	443,842	3,938
Reserve for retirement benefits of directors, executive officers and corporate auditors.....	2,017	1,886	16
Reserve for possible reimbursement of prescribed claims.....	700	800	7
Reserves under the special laws.....	136,254	155,246	1,377
Reserve for price fluctuations	136,254	155,246	1,377
Deferred tax liabilities	643,398	270,750	2,402
Deferred tax liabilities for land revaluation	84,908	80,189	711
Acceptances and guarantees.....	91,648	97,056	861
Total liabilities	46,247,274	46,991,963	417,039
(NET ASSETS)			
Capital stock	343,104	343,146	3,045
Capital surplus	343,255	330,105	2,929
Retained earnings	352,985	479,241	4,253
Treasury stock	(9,723)	(23,231)	(206)
Total shareholders' equity	1,029,622	1,129,262	10,021
Net unrealized gains (losses) on securities, net of tax	2,528,262	1,840,084	16,330
Deferred hedge gains (losses).....	(12,036)	(3,865)	(34)
Reserve for land revaluation.....	(33,424)	(16,402)	(145)
Foreign currency translation adjustments	22,654	16,570	147
Accumulated remeasurements of defined benefit plans.....	54,027	(33,688)	(298)
Total accumulated other comprehensive income.....	2,559,484	1,802,698	15,998
Subscription rights to shares	753	925	8
Non-controlling interests	67	72	0
Total net assets	3,589,927	2,932,959	26,029
Total liabilities and net assets.....	49,837,202	49,924,922	443,068

Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2015	2016	2016
ORDINARY REVENUES.....	7,252,242	7,333,947	65,086
Premium and other income	5,432,717	5,586,000	49,574
Investment income	1,444,012	1,344,852	11,935
Interest and dividends	856,550	1,075,389	9,543
Gains on money held in trust	3,228	—	—
Gains on investments in trading securities	26,405	—	—
Gains on sale of securities	162,163	222,409	1,973
Gains on redemption of securities	24,652	45,598	404
Reversal of reserve for possible loan losses	460	844	7
Reversal of reserve for possible investment losses	214	—	—
Other investment income	623	612	5
Gains on investments in separate accounts	369,713	—	—
Other ordinary revenues	375,513	403,094	3,577
ORDINARY EXPENSES	6,845,400	6,915,780	61,375
Benefits and claims	3,380,827	3,830,941	33,998
Claims	829,650	1,079,990	9,584
Annuities	672,898	629,640	5,587
Benefits	472,705	461,503	4,095
Surrender values	790,234	809,069	7,180
Other refunds	615,339	850,738	7,550
Provision for policy reserves and others	2,271,268	1,496,360	13,279
Provision for reserves for outstanding claims	87,946	91,447	811
Provision for policy reserves	2,174,573	1,396,273	12,391
Provision for interest on policyholder dividends	8,748	8,639	76
Investment expenses	168,935	524,041	4,650
Interest expenses	16,934	29,536	262
Losses on money held in trust	—	1,782	15
Losses on investments in trading securities	—	36,943	327
Losses on sale of securities	24,221	64,289	570
Losses on valuation of securities	469	4,128	36
Losses on redemption of securities	305	1,269	11
Derivative transaction losses	5,551	53,857	477
Foreign exchange losses	68,177	180,451	1,601
Provision for reserve for possible investment losses	—	423	3
Write-down of loans	43	233	2
Depreciation of real estate for rent and others	14,633	14,176	125
Other investment expenses	38,599	40,753	361
Losses on investments in separate accounts	—	96,194	853
Operating expenses	559,344	661,384	5,869
Other ordinary expenses	465,022	403,052	3,576
Ordinary profit	406,842	418,166	3,711
EXTRAORDINARY GAINS	3,310	308	2
Gains on disposal of fixed assets	3,030	287	2
Gains on step acquisition	273	—	—
Other extraordinary gains	7	20	0
EXTRAORDINARY LOSSES	29,451	55,272	490
Losses on disposal of fixed assets	5,396	1,310	11
Impairment losses on fixed assets	5,472	34,548	306
Provision for reserve for price fluctuations	18,067	18,992	168
Other extraordinary losses	514	421	3
Provision for reserve for policyholder dividends	112,200	97,500	865
Income before income taxes	268,502	265,702	2,358
Corporate income taxes-current	125,503	103,064	914
Corporate income taxes-deferred	509	(15,887)	(140)
Total of corporate income taxes	126,013	87,177	773
Net Income	142,489	178,524	1,584
Net income attributable to non-controlling interests	12	9	0
Net income attributable to shareholders of parent company	142,476	178,515	1,584

Consolidated Statement of Comprehensive Income

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2015	2016	2016
Net income	142,489	178,524	1,584
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	1,203,801	(687,935)	(6,105)
Deferred hedge gains (losses)	(9,450)	8,170	72
Reserve for land revaluation	5,668	2,411	21
Foreign currency translation adjustments	(5,940)	(2,180)	(19)
Remeasurements of defined benefit plans, net of tax	37,171	(87,716)	(778)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	10,575	(4,142)	(36)
Total other comprehensive income	1,241,826	(771,392)	(6,845)
Comprehensive income	1,384,315	(592,867)	(5,261)
(Details)			
Attributable to shareholders of the parent company	1,384,296	(592,879)	(5,261)
Attributable to non-controlling interests	19	12	0

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2015

(Unit: million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of the year.....	210,224	210,262	219,552	(11,500)	628,538
Cumulative effect of changes in accounting policies			11,272		11,272
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	210,224	210,262	230,824	(11,500)	639,810
Changes for the year					
Issuance of new shares	132,842	132,842			265,684
Issuance of new shares—exercise of subscription rights to shares	37	37			74
Dividends			(19,846)		(19,846)
Net income attributable to shareholders of parent company			142,476		142,476
Purchase of treasury stock					—
Disposal of treasury stock		113		1,776	1,890
Transfer from reserve for land revaluation.....			771		771
Others			(1,239)		(1,239)
Net changes of items other than shareholders' equity					
Total changes for the year	132,879	132,993	122,161	1,776	389,811
Balance at the end of the year	343,104	343,255	352,985	(9,723)	1,029,622

(Unit: million yen)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year.....	1,322,731	(2,586)	(38,320)	19,756
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	1,322,731	(2,586)	(38,320)	19,756
Changes for the year				
Issuance of new shares				
Issuance of new shares—exercise of subscription rights to shares				
Dividends				
Net income attributable to shareholders of parent company				
Purchase of treasury stock				
Disposal of treasury stock				
Transfer from reserve for land revaluation.....				
Others				
Net changes of items other than shareholders' equity	1,205,531	(9,450)	4,896	2,898
Total changes for the year	1,205,531	(9,450)	4,896	2,898
Balance at the end of the year	2,528,262	(12,036)	(33,424)	22,654

(Unit: million yen)

	Accumulated other comprehensive income		Subscription rights to shares	Non-controlling interests	Total net assets
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year.....	16,854	1,318,435	583	55	1,947,613
Cumulative effect of changes in accounting policies					11,272
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	16,854	1,318,435	583	55	1,958,885
Changes for the year					
Issuance of new shares					265,684
Issuance of new shares—exercise of subscription rights to shares					74
Dividends					(19,846)
Net income attributable to shareholders of parent company					142,476
Purchase of treasury stock					—
Disposal of treasury stock					1,890
Transfer from reserve for land revaluation.....					771
Others					(1,239)
Net changes of items other than shareholders' equity	37,172	1,241,048	170	11	1,241,230
Total changes for the year	37,172	1,241,048	170	11	1,631,042
Balance at the end of the year	54,027	2,559,484	753	67	3,589,927

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2016

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year.....	343,104	343,255	352,985	(9,723)	1,029,622
Cumulative effect of changes in accounting policies		(13,667)	(3,295)		(16,962)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,104	329,588	349,690	(9,723)	1,012,659
Changes for the year					
Issuance of new shares					—
Issuance of new shares—exercise of subscription rights to shares.....	42	42			84
Dividends			(33,359)		(33,359)
Net income attributable to shareholders of parent company			178,515		178,515
Purchase of treasury stock				(15,000)	(15,000)
Disposal of treasury stock		474		1,492	1,967
Transfer from reserve for land revaluation.....			(14,609)		(14,609)
Others			(995)		(995)
Net changes of items other than shareholders' equity					
Total changes for the year	42	517	129,550	(13,507)	116,602
Balance at the end of the year	343,146	330,105	479,241	(23,231)	1,129,262

(Unit: million yen)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year.....	2,528,262	(12,036)	(33,424)	22,654
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	2,528,262	(12,036)	(33,424)	22,654
Changes for the year				
Issuance of new shares				
Issuance of new shares—exercise of subscription rights to shares.....				
Dividends				
Net income attributable to shareholders of parent company				
Purchase of treasury stock				
Disposal of treasury stock				
Transfer from reserve for land revaluation.....				
Others				
Net changes of items other than shareholders' equity	(688,178)	8,170	17,021	(6,084)
Total changes for the year	(688,178)	8,170	17,021	(6,084)
Balance at the end of the year	1,840,084	(3,865)	(16,402)	16,570

(Unit: million yen)

	Accumulated other comprehensive income		Subscription rights to shares	Non-controlling interests	Total net assets
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year.....	54,027	2,559,484	753	67	3,589,927
Cumulative effect of changes in accounting policies					(16,962)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	54,027	2,559,484	753	67	3,572,965
Changes for the year					
Issuance of new shares					—
Issuance of new shares—exercise of subscription rights to shares.....					84
Dividends					(33,359)
Net income attributable to shareholders of parent company					178,515
Purchase of treasury stock					(15,000)
Disposal of treasury stock					1,967
Transfer from reserve for land revaluation.....					(14,609)
Others					(995)
Net changes of items other than shareholders' equity	(87,715)	(756,785)	171	5	(756,608)
Total changes for the year	(87,715)	(756,785)	171	5	(640,006)
Balance at the end of the year	(33,688)	1,802,698	925	72	2,932,959

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2016	(Unit: million US dollars)				
	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of the year.....	3,044	3,046	3,132	(86)	9,137
Cumulative effect of changes in accounting policies		(121)	(29)		(150)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	3,044	2,924	3,103	(86)	8,987
Changes for the year					
Issuance of new shares					—
Issuance of new shares—exercise of subscription rights to shares	0	0			0
Dividends			(296)		(296)
Net income attributable to shareholders of parent company			1,584		1,584
Purchase of treasury stock				(133)	(133)
Disposal of treasury stock		4		13	17
Transfer from reserve for land revaluation.....			(129)		(129)
Others			(8)		(8)
Net changes of items other than shareholders' equity					
Total changes for the year	0	4	1,149	(119)	1,034
Balance at the end of the year	3,045	2,929	4,253	(206)	10,021

	(Unit: million US dollars)			
	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year.....	22,437	(106)	(296)	201
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	22,437	(106)	(296)	201
Changes for the year				
Issuance of new shares				
Issuance of new shares—exercise of subscription rights to shares				
Dividends				
Net income attributable to shareholders of parent company				
Purchase of treasury stock				
Disposal of treasury stock				
Transfer from reserve for land revaluation.....				
Others				
Net changes of items other than shareholders' equity	(6,107)	72	151	(53)
Total changes for the year	(6,107)	72	151	(53)
Balance at the end of the year	16,330	(34)	(145)	147

	(Unit: million US dollars)				
	Accumulated other comprehensive income		Subscription rights to shares	Non-controlling interests	Total net assets
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year.....	479	22,714	6	0	31,859
Cumulative effect of changes in accounting policies					(150)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	479	22,714	6	0	31,708
Changes for the year					
Issuance of new shares					—
Issuance of new shares—exercise of subscription rights to shares					0
Dividends					(296)
Net income attributable to shareholders of parent company					1,584
Purchase of treasury stock					(133)
Disposal of treasury stock					17
Transfer from reserve for land revaluation.....					(129)
Others					(8)
Net changes of items other than shareholders' equity	(778)	(6,716)	1	0	(6,714)
Total changes for the year	(778)	(6,716)	1	0	(5,679)
Balance at the end of the year	(298)	15,998	8	0	26,029

Consolidated Statement of Cash Flows

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2015	2016	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes	268,502	265,702	2,358
Depreciation of rented real estate and others	14,633	14,176	125
Depreciation	37,650	49,623	440
Impairment losses on fixed assets	5,472	34,548	306
Amortization of goodwill	5,858	3,567	31
Increase (decrease) in reserves for outstanding claims	91,675	87,668	778
Increase (decrease) in policy reserves	2,164,622	1,261,466	11,195
Provision for interest on policyholder dividends	8,748	8,639	76
Provision for (reversal of) reserve for policyholder dividends	112,200	97,500	865
Increase (decrease) in reserve for possible loan losses	(640)	(418)	(3)
Increase (decrease) in reserve for possible investment losses	(215)	424	3
Write-down of loans	43	233	2
Decrease (increase) in net defined benefit assets	108	122	1
Increase (decrease) in net defined benefit liabilities	(2,502)	(10,816)	(95)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(146)	(131)	(1)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(100)	100	0
Increase (decrease) in reserve for price fluctuations	18,067	18,992	168
Interest and dividends	(856,550)	(1,075,389)	(9,543)
Securities related losses (gains)	(557,939)	(65,181)	(578)
Interest expenses	16,934	29,536	262
Foreign exchange losses (gains)	68,177	180,451	1,601
Losses (gains) on disposal of fixed assets	1,585	846	7
Equity in losses (income) of affiliates	(6,460)	(6,119)	(54)
Loss (gain) on step acquisitions	(273)	—	—
Decrease (increase) in reinsurance receivable	(44,978)	(7,804)	(69)
Decrease (increase) in other assets unrelated to investing and financing activities	(23,605)	(44,454)	(394)
Increase (decrease) in reinsurance payable	(458)	20,744	184
Increase (decrease) in other liabilities unrelated to investing and financing activities ..	36,326	(46,653)	(414)
Increase (decrease) in accounts payable relating to introduction of defined-contribution pension plan	(7,782)	(6,707)	(59)
Others, net	43,551	140,905	1,250
Subtotal	1,392,504	951,573	8,444
Interest and dividends received	901,607	1,302,101	11,555
Interest paid	(14,968)	(36,019)	(319)
Policyholder dividends paid	(109,404)	(121,003)	(1,073)
Others, net	(153,024)	35,963	319
Corporate income taxes paid	(141,072)	(118,807)	(1,054)
Net cash flows provided by (used in) operating activities	1,875,642	2,013,807	17,871
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of monetary claims bought	(15,500)	(9,800)	(86)
Proceeds from sale and redemption of monetary claims bought	31,407	35,567	315
Purchases of money held in trust	(1,900)	(27,500)	(244)
Proceeds from decrease in money held in trust	6,000	3,000	26
Purchases of securities	(7,052,529)	(7,668,854)	(68,058)
Proceeds from sale and redemption of securities	5,617,127	5,513,007	48,926
Origination of loans	(422,203)	(457,401)	(4,059)
Proceeds from collection of loans	413,966	646,044	5,733
Others, net	(42,431)	(258,221)	(2,291)
Total of net cash provided by (used in) investment transactions	(1,466,063)	(2,224,157)	(19,738)
Total of net cash provided by (used in) operating activities and investment transactions	409,579	(210,350)	(1,866)
Acquisition of tangible fixed assets	(27,858)	(22,049)	(195)
Proceeds from sale of tangible fixed assets	6,792	1,856	16
Acquisition of intangible fixed assets	(18,091)	(21,327)	(189)
Proceeds from sale of intangible fixed assets	303	18	0
Acquisition of stock of subsidiaries resulting in change in scope of consolidation	(526,206)	—	—
Acquisition of stock of subsidiaries and affiliates	(1,020)	—	—
Net cash flows provided by (used in) investing activities	(2,032,143)	(2,265,659)	(20,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	—	322,801	2,864
Repayment of borrowings	(1,862)	(350,263)	(3,108)
Proceeds from issuing bonds	106,808	7,839	69
Redemption of bonds	—	(12,434)	(110)
Repayment of financial lease obligations	(1,669)	(1,726)	(15)
Net increase (decrease) in short-term financing	—	46,818	415
Proceeds from issuing common stock	264,175	—	—
Purchase of treasury stock	—	(15,000)	(133)
Proceeds from disposal of treasury stock	1,830	1,879	16
Cash dividends paid	(19,783)	(33,346)	(295)
Others, net	(7)	(7)	(0)
Net cash flows provided by (used in) financing activities	349,490	(33,439)	(296)
Effect of exchange rate changes on cash and cash equivalents	377	(8,247)	(73)
Net increase (decrease) in cash and cash equivalents	193,366	(293,538)	(2,605)
Cash and cash equivalents at the beginning of the year	1,061,394	1,254,760	11,135
Cash and cash equivalents at the end of the year	1,254,760	961,221	8,530

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2016

I. BASIS FOR PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by The Dai-ichi Life Insurance Company, Limited ("DL", the "Company" or the "Parent Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥112.68=US\$1.00, the foreign exchange rate on March 31, 2016, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

II. PRINCIPLES OF CONSOLIDATION

1. Scope of Consolidation

The consolidated financial statements include the accounts of DL and its consolidated subsidiaries (collectively, "the Group"), including The Dai-ichi Life Information Systems Co., Ltd., The Dai-ichi Frontier Life Insurance Co., Ltd. ("DFLI"), The Neo First Life Insurance Company, Limited ("Neo First Life"), Dai-ichi Life Insurance Company of Vietnam, Limited ("DLVN"), TAL Dai-ichi Life Australia Pty Ltd ("TDLA") and Protective Life Corporation. The number of consolidated subsidiaries as of March 31, 2016 was sixty-one.

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Seimei Business Service K.K. and First U Anonymous Association. The eighteen non-consolidated subsidiaries as of March 31, 2016 had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss), retained earnings, cash flows, and others.

There was no non-consolidated subsidiary accounted for under the equity method as of March 31, 2016.

The number of affiliated companies under the equity method as of March 31, 2016 was forty-eight. The affiliated companies included DIAM Co., Ltd., Mizuho-DL Financial Technology Co., Ltd., Trust & Custody Services Bank Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., NEOSTELLA CAPITAL CO., LTD., OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, Star Union Dai-ichi Life Insurance Company Limited, Janus Capital Group Inc. and PT Panin Internasional.

Effective the fiscal year ended March 31, 2016, three subsidiaries of Janus Capital Group Inc. were newly accounted for under the equity method. Effective the fiscal year ended March 31, 2016, one affiliated company of Protective Life Corporation was excluded from the scope of the equity method as it had been liquidated. The non-consolidated subsidiaries (Dai-ichi Seimei Business Service K.K. and First U Anonymous Association and others), as well as affiliated companies (NEOSTELLA No.1 Investment Limited Partnership, O.M. Building Management Co., Ltd., and others) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of the net income (loss), retained earnings and others.

2. Year-end Dates of Consolidated Subsidiaries

The closing date of domestic consolidated subsidiaries is March 31, whereas that of consolidated overseas subsidiaries is December 31 or March 31. Financial information as of those closing dates is used to prepare the consolidated financial statements, although the necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

3. Summary of Significant Accounting Policies

(1) Valuation Methods of Securities

Securities held by DL and its consolidated subsidiaries including cash equivalents, bank deposits, and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

a) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

b) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

c) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No.21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

d) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

e) Available-for-sale Securities

i) Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average fair value during March), with cost determined by the moving average method.

ii) Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize

a. Government/Corporate Bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment

Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

b. Others

All others are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.

Securities held by certain consolidated overseas subsidiaries are stated at cost determined by the first-in first-out.

(2) Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

(3) Depreciation of Depreciable Assets

a) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings two to sixty years

Other tangible fixed assets two to twenty years

Tangible fixed assets other than land and buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

Depreciation of tangible fixed assets owned by domestic consolidated subsidiaries is principally calculated by the declining balance method, while the straight-line method is principally used to compute depreciation for such assets of consolidated overseas subsidiaries.

b) Amortization of Intangible Fixed Assets Excluding Leased Assets

DL and its consolidated subsidiaries use the straight-line method for amortization of intangible fixed assets excluding leased assets. Software for internal use is amortized by the straight-line method based on the estimated useful lives of two to eight years.

c) Depreciation of Leased Assets

Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value.

(4) Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, "obligors at risk of bankruptcy"), the reserve is calculated, taking into account a) the recoverable amount covered by the collateral or guarantees and b) an overall assessment of the obligor's ability to repay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in DL performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the years ended March 31, 2015 and 2016 were ¥59 million and ¥58 million (US\$0 million), respectively.

(5) Reserve for Possible Investment Losses

For the fiscal years ended March 31, 2015 and 2016, in order to provide for future investment losses, a reserve for possible investment losses of DL is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

(6) Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of DL, a) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of DL and b) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of DL are provided.

For the reserve for retirement benefits of directors, executive officers, and corporate auditors of certain consolidated subsidiaries, an amount considered to have been rationally incurred is provided.

(7) Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, DL provided for reserve for possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

(8) Net Defined Benefit Liabilities and Net Defined Benefit Assets

For the net defined benefit liabilities and the net defined benefit assets, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2016.

a) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal years ended March 31, 2016.

b) Amortization of Actuarial Differences

Actuarial differences are amortized under the straight-line method through a certain period (three or seven years) within the employees' average remaining service period, starting from the following year. Certain foreign consolidated subsidiaries applied corridor approach.

Certain consolidated subsidiaries applied the simplified method in calculating their projected benefit obligations.

(9) Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

(10) Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

DL and its domestic consolidated subsidiaries translated foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the year. Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method were translated into yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues, and expenses of DL's consolidated overseas subsidiaries are translated into yen at the exchange rates at the end of their fiscal year.

Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

For certain consolidated subsidiaries of DL, changes in fair value of bonds included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two: changes in fair value due to changes in market prices in their original currencies are accounted for as “net unrealized gains (losses) on securities”, and the remaining changes are reported in “foreign exchange gains (losses)”.

(11) Methods for Hedge Accounting

a) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” (ASBJ Statement No.10 issued on March 10, 2008). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); iii) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for over-the-counter options on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; and v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

b) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transaction)
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated stocks (forecasted transaction)
Equity forward contracts	Domestic stocks

c) Hedging Policies

DL conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

d) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

(12) Amortization of Goodwill

Goodwill is amortized over a period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount is immaterial.

(13) Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of the following items contained in the consolidated balance sheet: cash and deposits, call loans, commercial paper included in monetary claims bought, money market funds included in securities, and overdrafts included in other liabilities.

(14) Calculation of National and Local Consumption Tax

DL and its domestic consolidated subsidiaries account for national and local consumption tax mainly by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

(15) Policy Reserves

Policy reserves of DL and its consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

- a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
- b) Reserves for other policies are established based on the net level premium method.
Policy reserves of consolidated foreign subsidiaries are calculated based on the each country's accounting standard, such as US GAAP.

(Additional information)

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired by DL on or before March 31, 1996 for which premium payments were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act and will be provided in the following nine years. As a result, the amount of the provisions for policy reserves for the years ended March 31, 2015 and 2016 were ¥122,957 million and ¥142,163 million (US\$1,261 million), respectively.

(16) Changes in Accounting Policies

Effective the fiscal year ended March 31, 2016, DL applied the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on September 13, 2013), the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on September 13, 2013), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 issued on September 13, 2013) and other standards.

Accordingly, the accounting method was changed (i) to record the difference arising from changes in equity interest in those subsidiaries over which DL continues to exercise control, as capital surplus of DL, and (ii) to record business acquisition costs as expenses for the relevant fiscal year. Regarding business combinations which became effective on or after April 1, 2015, the accounting method was changed to retroactively reflect adjustments to the provisional allocation of acquisition cost recorded in the relevant consolidated financial statement for the consolidated fiscal year includes the date of business combination. In addition, the changes in the presentation of net income and the changes in the presentation from minority interests to non-controlling interests have been implemented. In order to reflect the change of the presentation, the presentation of the consolidated financial statement for the previous year has been reclassified to align with that for the current year.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatment set forth in Paragraph 58-2 (3) of the "Revised Accounting Standard for Business Combinations", Paragraph 44-5 (3) of the "Revised Accounting Standard for Consolidated Financial Statements" and Paragraph 57-4 (3) of the "Revised Accounting Standard for Business Divestitures". The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015.

As a result, goodwill decreased by ¥16,962 million (US\$150 million), capital surplus decreased by ¥13,667 million (US\$121 million), and retained earnings decreased by ¥3,295 million (US\$29 million) as of April 1, 2015. In addition, both ordinary profits and income before income taxes for the year ended March 31, 2016 increased by ¥879 million (US\$7 million).

In the consolidated statement of cash flows, the cash flows for the costs of the acquisition or sales of ownership interests in subsidiaries that do not result in change in scope of consolidation is stated in the net cash provided by (used in) financing activities, and the cash flows for the costs of the acquisition of ownership interests in subsidiaries resulting in change in scope of consolidation or the acquisition or sales of ownership interests in subsidiaries that do not result in change in scope of consolidation is stated in the net cash provided by (used in) operating activities.

As cumulative effects have been reflected in net assets for the beginning of the fiscal year under review, the beginning balances of capital surplus decreased by ¥13,667 million (US\$121 million) and retained earnings in the consolidated statement of changes in net assets decreased by ¥3,295 million (US\$29 million).

The impact on per-share information is described XIX. **PER SHARE INFORMATION.**

(17) Policy Acquisition Costs

The costs of acquiring and renewing business, which include agent commissions and certain other costs directly related to the acquisition of business, are expensed when incurred as the Insurance Business Act in Japan does not permit insurance companies to defer and amortize these costs.

(Additional information)

The Parent Company conducts transactions by granting its stocks to its employees using trust schemes (“the Stock Granting Trust (J-ESOP)” and “the Company’s Trust-type Employee Shareholding Incentive Plan (E-Ship®)”) to incentivize its employees to improve the corporate value and, thus, stock prices, and to provide the employees with incentives to improve the corporate value of the Parent Company in the medium- to long-term.

a) Overview of the transactions

i) J-ESOP

J-ESOP is a program to grant shares of common stock to the Parent Company’s managerial level employees who fulfill requirements under the Stock Granting Regulations of the Parent Company. The Parent Company vests points to each managerial level employee based on her/his total points at retirement. Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust, managed separately from book of the Company.

ii) E-Ship®

E-Ship® is an incentive program for employees who are members of the Dai-ichi Life Insurance Employee Stock Holding Partnership (the “Partnership”). Under the E-Ship® plan, the Parent Company sets up a trust through a trust bank. The trust estimates the number of shares of common stock of the Parent Company which the Partnership is to acquire in 5 years and purchases the shares in advance. The Partnership buys shares of the Parent Company from the trust periodically. At the end of the trust period, the Partnership’s retained earnings, accumulation of net gains on sale of shares of the Parent Company, are to be distributed to the members, who fulfill the requirements for eligible beneficiaries. On the other hand, the Parent Company will pay off retained loss, accumulation of net losses on sale of the shares and any amount equivalent to the amount of outstanding debt at the end of period, as it is to guarantee the debt of the trust needed to purchase the shares.

b) While adopting “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts.” (ASBJ PITF No.30), the Parent Company applies the same accounting treatment as before.

c) Information related to the stocks of the Parent Company which the trusts hold

i) J-ESOP

a. Book value of the stocks of the Parent Company within the trust as of March 31, 2015 and 2016 were ¥6,771 million and ¥6,672 million (US\$59 million). These stocks were recorded as the treasury stock in the total shareholders’ equity.

b. The number of stocks within the trust as of March 31, 2015 and 2016 were 4,479 thousand shares and 4,413 thousand shares, and the average number of stocks within the trust for the years ended March 31, 2015 and 2016 were 4,496 thousand shares and 4,437 thousand shares. The number of shares at the year-end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

ii) E-Ship®

a. Book value of the stocks of the Parent Company within the trust as of March 31, 2015 and 2016 were ¥2,952 million and ¥1,558 million (US\$13 million). These stocks were recorded as the treasury stock in the total shareholders’ equity.

b. The number of stocks within the trust as of March 31, 2015 and 2016 were 2,039 thousand shares and 1,076 thousand shares, and the average number of stocks within the trust for the years ended March 31, 2015 and 2016 were 2,545 thousand shares and 1,545 thousand shares. The number of shares at the year-end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

III. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash and deposits pledged as collateral were as follows:

	As of March 31,		2016 (Unit: million US dollars)
	2015	2016	
	(Unit: million yen)		
Securities (Government bonds).....	712,005	407,357	3,615
Securities (Foreign securities)	181,804	235,367	2,088
Securities (Corporate bonds)	523	3,594	31
Cash and deposits	879	9,042	80
Securities and cash and deposits pledged as collateral	895,212	655,362	5,816

The amounts of secured liabilities were as follows:

	As of March 31,		2016 (Unit: million US dollars)
	2015	2016	
	(Unit: million yen)		
Cash collateral for securities lending transactions.....	731,505	473,284	4,200
Loans payable	0	—	—
Secured liabilities	731,506	473,284	4,200

“Securities (Government bonds)” pledged as collateral for securities lending transactions with cash collateral as of March 31, 2015 and 2016 were ¥650,112 million and ¥381,453 million (US\$3,385 million), respectively.

2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2015 and 2016 were ¥1,888,894 million and ¥2,250,315 million (US\$19,970 million), respectively.

3. Risk Management Policy of Policy-reserve-matching Bonds

DL and its certain subsidiary categorize their insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulate their policies on investments and resource allocation based on the balance of the sub-groups. Moreover, they periodically check that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of DL are:

Years ended March 31, 2015 and 2016

- i) individual life insurance and annuities,
- ii) non-participating single premium whole life insurance (without duty of medical disclosure),
- iii) financial insurance and annuities, and
- iv) group annuities,
with the exception of certain types.

The sub-groups of insurance products of the subsidiary of DL are:

Year ended March 31, 2015	Year ended March 31, 2016
i) individual life insurance and annuities (yen-denominated, short-term),	i) individual life insurance and annuities (yen-denominated, short-term),
ii) individual life insurance and annuities (yen-denominated, long-term),	ii) individual life insurance and annuities (yen-denominated, long-term),
iii) individual life insurance and annuities (U.S. dollar-denominated), and	iii) individual life insurance and annuities (U.S. dollar-denominated),
iv) individual life insurance and annuities (Australian dollar-denominated), with the exception of certain types and contracts.	iv) individual life insurance and annuities (Australian dollar-denominated), and v) individual life insurance and annuities (New Zealand dollar-denominated), with the exception of certain types and contracts.

(Additional information)

Effective the fiscal year ended March 31, 2016, in order to conduct appropriate duration control, taking into account the duration of liabilities to promote more sophisticated ALM, a certain subsidiary of DL added individual life insurance and annuities (New Zealand dollar-denominated) as a new sub-group. This addition did not have any impact on profits and losses of DL and the subsidiary for the year ended March 31, 2016.

4. Stocks of Subsidiaries and Affiliated Companies

The amounts of stocks of and stakes in non-consolidated subsidiaries and affiliated companies DL held were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Stocks	126,803	122,088	1,083
Capital	51,591	70,902	629
Total	178,395	192,990	1,712

5. Problem Loans

The amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers	502	93	0
Delinquent loans	3,525	3,005	26
Loans past due for three months or more	—	—	—
Restructured loans	2,040	415	3
Total	6,068	3,513	31

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 or 4 of the Enforcement Ordinance of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans, decreases in credits to bankrupt borrowers and delinquent loans were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers	4	2	0
Delinquent loans	54	56	0

6. Commitment Line

As of March 31, 2015 and 2016, there were unused commitment line agreements under which DL and its consolidated subsidiaries were the lenders of ¥95,370 million and ¥104,987 million (US\$931 million), respectively.

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2015 and 2016 were ¥648,947 million and ¥664,386 million (US\$5,896 million), respectively.

8. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2015 and 2016 were ¥3,328,149 million and ¥3,140,639 million (US\$27,872 million), respectively. Separate account liabilities were the same amount as the separate account assets.

9. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year.....	394,022	405,566	3,599
Dividends paid during the year.....	(109,404)	(121,003)	(1,073)
Interest accrual during the year.....	8,748	8,639	76
Provision for reserve for policyholder dividends	112,200	97,500	865
Balance at the end of the year	405,566	390,701	3,467

10. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of DL and its subsidiaries that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2015 and 2016 were ¥54,887 million and ¥55,326 million (US\$491 million), respectively. These obligations will be recognized as operating expenses in the years in which they are paid.

11. Revaluation of Land

Based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998), DL revalued land for business use. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Law for Revaluation of Land:

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Enforcement Ordinance of the Law for Revaluation of Land (Publicly Issue Cabinet Order 119, March 31, 1998).

- The excess of the new book value of the land over the fair value after revaluation in accordance with Article 10 of the Law for Revaluation of Land was ¥2,525 million as of March 31, 2015, which included ¥(7,935) million attributable to real estate for rent, and no excess as of March 31, 2016.

12. Bonds Payable

As of March 31, 2015 and 2016, bonds payable included foreign currency-denominated subordinated bonds of ¥281,988 million and ¥ 269,852 million (US\$ 2,394 million), respectively, the repayment of which is subordinated to other obligations

Issuer	Description	Issuance date	Balance as of April 1, 2015	Balance as of March 31, 2016	Interest rate (%)	Collateral	Maturity date
(Unit: million yen)							
DL	Foreign currency (US dollar) denominated perpetual subordinated bonds	From March 15, 2011 To October 28, 2014	215,727 [2,300 mil US\$]	215,727 [2,300 mil US\$]	From 5.10 to 7.25	None	Perpetual
(*)	Foreign currency (US dollar) denominated bonds	From August 15, 1994 To October 10, 2012	207,056 [1,751 mil US\$]	215,830 [1,789 mil US\$]	From 1.96 to 11.25	None	From January 15, 2018 To July 15, 2052
Protective Life Corporation	Foreign currency (US dollar) denominated subordinated bonds ^(Note: 2)	From January 27, 2004 To August 15, 2012	66,261 [560 mil US\$]	54,125 [448 mil US\$]	From 6.00 to 6.25	None	From January 27, 2034 To September 1, 2042
Total	-	-	489,045	485,682	-	-	-

Note: 1. The above (*) represents the total of bonds issued by the following consolidated overseas subsidiaries: Protective Life Corporation, Golden Gate II Captive Insurance Company, Golden Gate V Vermont Captive Insurance Company and MONY Life Insurance Company.

2. For the fiscal year ended March 31, 2016, 104 million US dollars of subordinated bonds were redeemed.

3. Figures in [] are the principle amount in US dollars.

4. The following table shows the maturities of long-term subordinated bonds for the 5 years subsequent to March 31, 2016

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
(Unit: million yen)					
Bonds payable	-	-	18,091	48,244	-
(Unit: million US dollars)					
Bonds payable	-	-	160	428	-

13. Subordinated Debt and Other liabilities

As of March 31, 2015 and 2016, other liabilities included subordinated debt of ¥320,000 million and ¥283,000 million (US\$2,511 million), respectively, the repayment of which is subordinated to other obligations.

Category	Balance as of April 1, 2015	Balance as of March 31, 2016	Average interest rate (%)	Maturity	Balance as of April 1, 2015	Balance as of March 31, 2016
	(Unit: million yen)				(Unit: million US dollars)	
Current portions of long-term borrowings	20,575	3,277	0.5	—	182	29
Current portions of lease obligations...	1,518	1,649	—	—	13	14
Long-term borrowings (excluding current portion)	371,315	360,772	1.5	October 2019 ~ perpetual	3,295	3,201
Lease obligations (excluding current portion)	3,064	2,981	—	April 2017 ~ March 2022	27	26
Total	396,474	368,681	—	—	3,518	3,271

Note: 1. Those borrowings and lease obligations above are included in the "other liabilities" on the consolidated balance sheet.

2. The average interest rate represents the weighted-average rate applicable to the balance as of March 31, 2016. As for lease obligations, description is omitted since interest method is applied.

3. The following table shows the maturities of long-term borrowings (excluding the current portion or those without maturities) and lease obligations (excluding the current portion) for the 5 years subsequent to March 31, 2016:

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million yen)			
Long-term borrowings.....	—	—	19,276	58,495
Lease obligations	1,621	809	386	164

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million US dollars)			
Long-term borrowings.....	—	—	171	519
Lease obligations	14	7	3	1

14. Securities Borrowing

Securities borrowed under borrowing agreements and securities received as collateral of reinsurance transactions can be sold or pledged as collateral. As of March 31, 2015 and 2016, the market value of the securities which were not sold or pledged as collateral was ¥94,474 million and ¥267,875 (US\$2,377 million), respectively. None of the securities were pledged as collateral as of March 31, 2015 and 2016, respectively.

15. Organizational Change Surplus

As of March 31, 2015 and 2016, the amounts of DL's organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$1,045 million), respectively.

IV. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

Details of operating expenses for the years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Sales activity expenses	267,612	301,337	2,674
Sales management expenses	71,876	78,029	692
General management expenses.....	219,856	282,016	2,502

2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Land	2,477	168	1
Buildings.....	551	103	0
Other tangible fixed assets.....	1	0	0
Other intangible fixed assets.....	—	14	0
Total	3,030	287	2

3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Land	1,249	784	6
Buildings.....	2,911	205	1
Leased assets	41	2	0
Other tangible fixed assets.....	163	140	1
Software	198	60	0
Other intangible fixed assets.....	248	—	—
Other assets	582	116	1
Total	5,396	1,310	11

4. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the years ended March 31, 2015 and 2016 were as follows:

a) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

b) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, DL wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

c) Breakdown of Impairment Losses

Impairment losses by asset group for the year ended March 31, 2015 were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Land Leasehold Rights	Buildings	Total
			(Unit: million yen)			
Real estate not in use	Maebashi City, Gunma Prefecture and others	27	2,370	304	2,798	5,472

Impairment losses by asset group for the year ended March 31, 2016 were as follows:

Asset Group	Place	Number	Impairment Losses							
			Land	Land Leasehold Rights	Buildings	Total	Land	Land Leasehold Rights	Buildings	Total
(Unit: million yen)						(Unit: million US dollars)				
Real estate not in use	Fuchu City, Tokyo and others	100	13,780	9	20,757	34,548	122	0	184	306

d) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.57% and 2.48% for the years ended March 31, 2015 and 2016, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

V. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The amount reclassified and tax effect amounts related to other comprehensive income were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	1,783,498	(863,473)	(7,663)
Amount reclassified	(145,030)	(154,986)	(1,375)
Before tax adjustment	1,638,467	(1,018,460)	(9,038)
Tax effect	(434,666)	330,525	2,933
Net unrealized gains (losses) on securities, net of tax	1,203,801	(687,935)	(6,105)
Deferred hedge gains (losses)			
Amount incurred during the year	64,255	10,659	94
Amount reclassified	(111)	851	7
Amount adjusted for asset acquisition cost	(77,309)	–	–
Before tax adjustment	(13,165)	11,511	102
Tax effect	3,714	(3,340)	(29)
Deferred hedge gains (losses)	(9,450)	8,170	72
Reserve for land revaluation			
Amount incurred during the year	–	–	–
Amount reclassified	–	–	–
Before tax adjustment	–	–	–
Tax effect	5,668	2,411	21
Reserve for land revaluation	5,668	2,411	21
Foreign currency translation adjustments			
Amount incurred during the year	(5,940)	(2,180)	(19)
Amount reclassified	–	–	–
Before tax adjustment	(5,940)	(2,180)	(19)
Tax effect	–	–	–
Foreign currency translation adjustments	(5,940)	(2,180)	(19)
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	52,829	(112,409)	(997)
Amount reclassified	(1,281)	(10,053)	(89)
Before tax adjustment	51,547	(122,463)	(1,086)
Tax effect	(14,375)	34,746	308
Remeasurements of defined benefit plans, net of tax	37,171	(87,716)	(778)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	10,737	(4,079)	(36)
Amount reclassified	(161)	(62)	(0)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	10,575	(4,142)	(36)
Total other comprehensive income	1,241,826	(771,392)	(6,845)

VI. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. For the Year Ended March 31, 2015

(1) Type and Number of Shares Outstanding

		Year ended March 31, 2015		
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
		(Unit: thousands of shares)		
Common stock ^(*)	1,000,060	197,878	—	1,197,938
Treasury stock ^(*)	7,743	—	1,225	6,518

(*) The increase of 197,878 thousand shares of common stock represents the sum of a) the exercise of stock acquisition rights of 78 thousand shares and b) issuance of 197,800 thousand new shares.

(*) The decrease of 1,225 thousand shares of treasury stock represents the sum of a) shares granted to eligible employees at retirement by the J-ESOP under DL's incentive program granting middle management the purchased shares and b) shares sold to the Dai-ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership under the E-Ship®.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2015 (Unit: million yen)
DL	Stock acquisition rights in the form of stock options	753

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2015

Date of resolution	June 24, 2014 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends ^(*)	¥19,846 million
Dividends per share ^(*)	¥20
Record date	March 31, 2014
Effective date	June 25, 2014
Dividend resource	Retained earnings

(*) Total dividends did not include ¥154 million of dividends to the J-ESOP trust and the E-ship® trust, as DL recognized the shares held by those trusts as treasury shares.

(*) The Company conducted a 1:100 share split on October 1, 2013. The dividend per share reflects the share split.

b) Dividends, the record date of which was March 31, 2015, to be paid out in the year ending March 31, 2016

Date of resolution	June 23, 2015 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends ^(*)	¥33,359 million
Dividends per share	¥28
Record date	March 31, 2015
Effective date	June 24, 2015
Dividend resource	Retained earnings

(*) Total dividends did not include ¥182 million of dividends to the J-ESOP trust and the E-ship® trust, as DL recognized the shares held by those trusts as treasury shares.

2. For the Year Ended March 31, 2016

(1) Type and Number of Shares Outstanding

		Year ended March 31, 2016		
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
		(Unit: thousands of shares)		
Common stock ^(*)	1,197,938	84	—	1,198,023
Treasury stock ^(*) ⁽³⁾ ⁽⁴⁾	6,518	6,878	1,028	12,368

(*) The increase of 84 thousand shares of common stock is due to the exercise of stock acquisition rights (stock options).

(*) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2016, includes 6,518 thousand shares and 5,490 thousand shares held by the trust fund through the J-ESOP and the trust fund for Dai-ichi Life Insurance Employee Stock Holding Partnership through the E-Ship®, respectively.

(*) The increase of 6,878 thousand shares of treasury stock was due to the repurchase of outstanding common stock.

(*) The 1,028 thousand share decrease in treasury stock represents the sum of (1) shares granted to eligible employees at retirement and (2) shares sold to the Dai-ichi Life Insurance Employee Stock Holding Partnership by the Trust Fund for Dai-ichi Life Insurance Employee Stock Holding Partnership.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2016 (Unit: million yen)
DL	Stock acquisition rights in the form of stock options	925 (US\$8 million)

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2016

Date of resolution	June 23, 2015 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends ^(*)	¥33,359 million (US\$296 million)
Dividends per share	¥28 (US\$0.24)
Record date	March 31, 2015
Effective date	June 24, 2015
Dividend resource	Retained earnings

(*) Total dividends did not include ¥182 million (US\$1 million) of dividends to the J-ESOP trust and the E-ship® trust, as DL recognized the shares held by those trusts as treasury shares.

b) Dividends, the record date of which was March 31, 2016, to be paid out in the year ending March 31, 2017

Date of resolution	June 24, 2016 (at the Annual General Meeting of Shareholders to be held)
Type of shares	Common stock
Total dividends ^(*)	¥41,497 million (US\$368 million)
Dividends per share	¥35 (US\$0.31)
Record date	March 31, 2016
Effective date	June 27, 2016
Dividend resource	Retained earnings

(*) Total dividends did not include ¥192 million (US\$1 million) of dividends to the J-ESOP trust and the E-ship® trust, as DL recognized the shares held by those trusts as treasury shares.

VII. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

1. Reconciliations of cash and cash equivalents to consolidated balance sheet accounts were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Cash and cash deposits.....	873,444	843,405	7,484
Call loans.....	380,400	116,900	1,037
Money market funds included in securities.....	915	916	8
Cash and cash equivalents	1,254,760	961,221	8,530

VIII. LEASE TRANSACTIONS

1. Finance Leases (As lessee)

For the fiscal years ended March 31, 2015 and 2016, information regarding finance leases (as lessee) is omitted due to the importance on the consolidated financial statements.

2. Operating Leases

Future minimum lease payments under non-cancellable operating leases as of March 31, 2015 and 2016 were as follows:

(As Lessee)

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Due within one year.....	3,039	2,928	25
Due after one year.....	27,694	26,782	237
Total	30,733	29,711	263

(As Lessor)

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Due within one year.....	8	8	0
Due after one year.....	256	247	2
Total	265	256	2

IX. FINANCIAL INSTRUMENTS AND OTHERS

1. Financial Instruments

(1) Policies in Utilizing Financial Instrument

In an effort to manage investment assets in a manner appropriate to liabilities which arise from the insurance policies DL underwrites, DL engages in asset liability management, or ALM, which considers the long-term balance between assets and liabilities to ensure stable returns. With this strategy, DL and certain of its consolidated subsidiaries hold fixed income investments, including bonds and loans, as the core of their asset portfolio. While placing its financial soundness first, DL also holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

DL and certain of its consolidated subsidiaries use derivatives primarily to hedge market risks associated with their existing asset portfolio and supplement investment objectives, taking into account the exposure of underlying assets. Moreover, DL and certain of its consolidated subsidiaries utilize derivatives to mitigate the risks associated with guaranteed minimum maturity benefits of individual variable annuity insurance.

With respect to financing, DL and certain of its consolidated subsidiaries have raised capital directly from the capital markets by issuing subordinated bonds and securitizing subordinated loans as well as indirectly from banks in order to strengthen its capital base and to invest such capital in growing areas. To avoid impact from interest-rate fluctuations, DL utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

(2) Financial Instruments Used and Their Risks

Securities included in financial assets of DL and certain of its consolidated subsidiaries, mainly stocks and bonds, are categorized by their investment objectives such as held-to-maturity securities, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk, and interest-rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors. DL and certain of its consolidated subsidiaries might be exposed to liquidity risk in certain circumstance in which they cannot access the financial market and make timely payments of principal, interest or other amounts. Also, some of their loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest-rate risk and foreign currency risk.

DL and certain of its consolidated subsidiaries utilize interest rate swaps to hedge interest rate risk associated with certain of their loans receivable and payable and adopt hedge accounting.

In addition, DL and certain of its consolidated subsidiaries utilize a) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and b) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008), DL and certain of its consolidated subsidiaries have established investment policy and procedure guidelines and clarified the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

(3) Risk Management

The risk management system of DL and certain of its domestic consolidated subsidiaries is as follows:

a) Market risk management

Under the internal investment policy and market risk management policy, they manage market risk by conducting mid- to long-term asset allocation in a manner appropriate to their liabilities. Therefore, they categorize their portfolio into sub-groups, based on their investment purpose, and manage them taking into account each of their risk characteristics.

i) Interest rate risk

They keep track of interest rates and durations of their assets and liabilities, monitor their internal analyses on duration gap and interest rate sensitivity, and periodically report their findings to their board of directors, etc.

ii) Currency risk

They keep track of currency composition of their financial assets and liabilities, conduct sensitivity analyses, and periodically report their findings to their board of directors, etc.

iii) Fluctuation in market values

They define risk management policies for each component of their overall portfolio, including securities, and specific risk management procedures. In such policies and procedures, they set and manage upper limits of each asset balance and risk exposure.

Such management conditions are periodically reported by their risk management sections to their board of directors, etc.

iv) Derivative transactions

For derivative transactions, they have established internal check system by segregating (a) executing department, (b) the department which engages in assessment of hedge effectiveness, and (c) the back-office. Additionally, in order to limit speculative use of derivatives, they have put restrictions on utilization purpose, such as hedging, and establish position limits for each asset class.

They also utilize derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of individual variable annuities. In accordance with their internal regulations to manage the risks associated with their guaranteed minimum maturity benefits, they (a) assess hedge effectiveness of derivative transactions, (b) manage gains and losses from derivative transactions on a daily basis, and (c) periodically check their progress on reducing the risk associated with their guaranteed minimum maturity benefits and measure estimated losses based on VaR (value-at-risk). The risk management sections are in charge of managing overall risks including risks associated with their guaranteed minimum maturity benefits, and periodically report the status of such management to their board of directors, etc.

b) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, they have established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to their board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

In each of certain overseas consolidated subsidiaries, an investment committee established by their board of directors develops its investment policy, and periodically checks the compliance and the status of each risk, thus enabling the subsidiaries to manage their risks in conformity with the risk characteristics.

(4) Supplementary Explanation for Fair Value of Financial Instruments

As well as the values based on market prices, fair value of financial instruments includes values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in "2. Fair Value of Financial Instruments", the contract value itself does not indicate market risk related to derivative transactions.

2. Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2015 and 2016 were as follows.

The following tables do not include financial instruments whose fair value is extremely difficult to recognize (please refer to Note 2).

As of March 31, 2015			
	Carrying amount	Fair value	Gains (losses)
		(Unit: million yen)	
(1) Cash and deposits.....	873,444	873,453	9
(2) Call loans	380,400	380,400	–
(3) Monetary claims bought.....	265,813	265,813	–
(4) Money held in trust	65,283	65,283	–
(5) Securities			
a. Trading securities	5,332,413	5,332,413	–
b. Held-to-maturity bonds	108,312	112,842	4,529
c. Policy-reserve-matching bonds.....	13,730,760	15,693,503	1,962,743
d. Stocks of subsidiaries and affiliated companies.....	42,055	78,650	36,595
e. Available-for-sale securities.....	20,779,417	20,779,417	–
(6) Loans.....	3,898,148		
Reserves for possible loan losses ^(*)	(1,327)		
	3,896,821	4,040,839	144,018
Total assets	45,474,722	47,622,618	2,147,895
(1) Bonds payable.....	489,045	519,605	30,560
(2) Long-term borrowings.....	391,891	393,705	1,813
Total liabilities	880,936	913,310	32,374
Derivative transactions ^(*)			
a. Hedge accounting not applied.....	[12,165]	[12,165]	–
b. Hedge accounting applied	[69,304]	[68,910]	394
Total derivative transactions	[81,470]	[81,076]	394

(*) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*) Credits/debts from derivative transactions are presented on a net basis. Figures in [] are net debts.

As of March 31, 2016						
	Carrying amount	Fair value	Gains (losses)	Carrying amount	Fair value	Gains (losses)
		(Unit: million yen)			(Unit: million US dollars)	
(1) Cash and deposits.....	843,405	843,411	6	7,484	7,485	0
(2) Call loans	116,900	116,900	–	1,037	1,037	–
(3) Monetary claims bought.....	239,299	239,299	–	2,123	2,123	–
(4) Money held in trust	87,476	87,476	–	776	776	–
(5) Securities						
a. Trading securities	5,157,337	5,157,337	–	45,769	45,769	–
b. Held-to-maturity bonds	117,272	113,410	(3,862)	1,040	1,006	(34)
c. Policy-reserve-matching bonds.....	14,610,220	18,195,238	3,585,018	129,661	161,477	31,815
d. Stocks of subsidiaries and affiliated companies	40,526	62,802	22,275	359	557	197
e. Available-for-sale securities	20,641,643	20,641,643	–	183,188	183,188	–
(6) Loans.....	3,715,562			32,974		
Reserves for possible loan losses ^(*)	(549)			(4)		
	3,715,013	3,854,510	139,497	32,969	34,207	1,237
Total assets	45,569,095	49,312,031	3,742,935	404,411	437,628	33,217
(1) Bonds payable.....	485,682	497,702	12,019	4,310	4,416	106
(2) Long-term borrowings.....	364,050	366,516	2,466	3,230	3,252	21
Total liabilities	849,733	864,219	14,486	7,541	7,669	128
Derivative transactions ^(*)						
a. Hedge accounting not applied.....	[24,791]	[24,791]	–	[220]	[220]	–
b. Hedge accounting applied	104,489	100,948	(3,540)	927	895	(31)
Total derivative transactions	79,698	76,157	(3,540)	707	675	(31)

(*) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*) Credits/debts from derivative transactions are presented on a net basis. Figures in [] are net debts.

Note 1: Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

Assets

(1) Cash and deposits

As for deposits with maturities, except for those which are close to maturity, present value is calculated by discounting the carrying amount for each segment based on the term, using a deposit interest rate which is assumed to be applied to new deposit. As for deposits close to maturity and deposits without maturity, fair value is based on the carrying amount since fair value is close to the carrying amount.

(2) Call loans

Since all call loans are close to due date and their fair value is close to carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated price.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price.

For details on derivative transactions of money held in trust, please refer to **XII. DERIVATIVE TRANSACTIONS**.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in **X. SECURITIES**.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (the carrying amount on the balance sheet minus reserve for possible loan losses) is recorded as the fair value of risk-monitored loans.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value.

Liabilities

(1) Bonds payable

The fair value of bonds issued by DL is based on the price on the bond market.

(2) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowing. Also, certain of long-term borrowings are deemed to have fair value close to book value, taking into account interest rates. Therefore, their book value is recorded as the fair value.

Derivative Instruments

For details on derivative transactions, please refer to **XII. DERIVATIVE TRANSACTIONS**.

Note 2: Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of (5) Securities in Note 1

	As of March 31,		
	2015	2016	2016
	Carrying amount		
	(Unit: million yen)		(Unit: million US dollars)
1. Unlisted domestic stocks ^(*) (^(*))	153,031	161,949	1,437
2. Unlisted foreign stocks ^(*) (^(*))	51,064	46,950	416
3. Other foreign securities ^(*) (^(*))	795,227	692,672	6,147
4. Other securities ^(*) (^(*))	113,131	91,486	811
Total	1,112,454	993,059	8,813

(*) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of market value information.

(*) DL recorded impairment charges of ¥13 million for the year ended March 31, 2015 and ¥21 million (US\$ 0 million) for the year ended March 31, 2016.

Note 3: Scheduled redemptions of monetary claims and securities with maturities

As of March 31, 2015				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(Unit: million yen)				
Cash and deposits	870,994	200	–	–
Call loans.....	380,400	–	–	–
Monetary claims bought	–	23,000	–	229,233
Money held in trust ^(*)	–	2,760	–	–
Securities:				
Held-to-maturity bonds (bonds)	–	–	47,900	–
Held-to-maturity bonds(foreign securities).....	–	–	–	51,438
Policy-reserve-matching bonds (bonds)	94,020	293,897	524,213	11,561,862
Policy-reserve-matching bonds (foreign securities)	500	61,299	895,173	224,015
Available-for-sale securities with maturities (bonds)	194,818	1,319,214	577,040	1,877,613
Available-for-sale securities with maturities (foreign securities) ..	429,053	3,051,078	2,366,088	4,102,798
Available-for-sale securities with maturities (other securities) ...	36,652	71,644	285,483	7,677
Loans ^(*)	330,033	1,170,533	934,916	774,008

(*) Money held in trust without maturities amounted to ¥62,406 million was not included.

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥1,200 million were not included. Also, ¥642,404 million of loans without maturities were not included.

As of March 31, 2016				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(Unit: million yen)				
Cash and deposits	842,670	335	399	–
Call loans.....	116,900	–	–	–
Monetary claims bought	12,000	11,000	–	203,454
Money held in trust ^(*)	2,550	–	–	–
Securities:				
Held-to-maturity bonds (bonds)	–	–	47,900	–
Held-to-maturity bonds (foreign securities).....	–	–	–	60,305
Policy-reserve-matching bonds (bonds)	62,635	318,002	771,693	11,536,628
Policy-reserve-matching bonds (foreign securities)	22,500	57,112	1,497,463	233,797
Available-for-sale securities with maturities (bonds)	353,235	1,133,089	537,277	1,802,166
Available-for-sale securities with maturities (foreign securities) ..	601,818	2,273,995	2,701,541	4,844,218
Available-for-sale securities with maturities (other securities) ...	17,389	101,700	283,211	15,088
Loans ^(*)	408,915	977,330	991,702	682,284

As of March 31, 2016				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(Unit: million US dollars)				
Cash and deposits	7,478	2	3	–
Call loans.....	1,037	–	–	–
Monetary claims bought	106	97	–	1,805
Money held in trust ^(*)	22	–	–	–
Securities:				
Held-to-maturity bonds (bonds)	–	–	425	–
Held-to-maturity bonds (foreign securities).....	–	–	–	535
Policy-reserve-matching bonds (bonds)	555	2,822	6,848	102,383
Policy-reserve-matching bonds (foreign securities)	199	506	13,289	2,074
Available-for-sale securities with maturities (bonds)	3,134	10,055	4,768	15,993
Available-for-sale securities with maturities (foreign securities) ..	5,340	20,180	23,975	42,990
Available-for-sale securities with maturities (other securities) ...	154	902	2,513	133
Loans ^(*)	3,628	8,673	8,801	6,055

(*) Money held in trust without maturities amounted to ¥84,836 million (US\$ 752 million) was not included.

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥761 million (US\$ 6 million) were not included. Also, ¥616,770 million (US\$ 5,473 million) of loans without maturities were not included.

Note 4: Scheduled maturities of bonds and long term borrowings

As of March 31, 2015						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(Unit: million yen)						
Bonds payable ^(*)	12,190	–	17,737	–	47,300	156,005
Long term borrowings ^(*)	20,575	0	–	–	–	46,117

(*) ¥215,727 million of bonds payable without maturities were not included.

(*) ¥325,197 million of long term borrowings without maturities were not included.

As of March 31, 2016						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(Unit: million yen)						
Bonds payable ^(*)	–	–	18,091	48,244	–	159,118
Long term borrowings ^(*)	3,277	–	–	19,276	58,495	–

As of March 31, 2016						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(Unit: million US dollars)						
Bonds payable ^(*)	–	–	160	428	–	1,412
Long term borrowings ^(*)	29	–	–	171	519	–

(*) ¥215,727 million (US\$ 1,914 million) of bonds payable without maturities were not included.

(*) ¥283,000 million (US\$ 2,511 million) of long term borrowings without maturities were not included.

X. SECURITIES

1. Trading Securities

Year ended March 31,			
	2015	2016	2016
(Unit: million yen)			(Unit: million US dollars)
Gains (losses) on valuation of trading securities	197,216	(389,394)	(3,455)

2. Held-to-maturity Bonds

As of March 31, 2015			
	Carrying amount	Market value	Unrealized gains (losses)
(Unit: million yen)			
Held-to-maturity securities with unrealized gains:			
(1) Bonds	45,411	49,940	4,529
a. Government bonds.....	45,411	49,940	4,529
b. Local government bonds.....	–	–	–
c. Corporate bonds.....	–	–	–
(2) Foreign securities	–	–	–
a. Foreign bonds.....	–	–	–
Subtotal.....	45,411	49,940	4,529
Held-to-maturity securities with unrealized losses:			
(1) Bonds	–	–	–
a. Government bonds.....	–	–	–
b. Local government bonds.....	–	–	–
c. Corporate bonds.....	–	–	–
(2) Foreign securities	62,901	62,901	–
a. Foreign bonds.....	62,901	62,901	–
Subtotal.....	62,901	62,901	–
Total.....	108,312	112,842	4,529

As of March 31, 2016						
	Carrying amount	Market value	Unrealized gains (losses)	Carrying amount	Market value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Held-to-maturity securities with unrealized gains:						
(1) Bonds	45,712	51,296	5,583	405	455	49
a. Government bonds	45,712	51,296	5,583	405	455	49
b. Local government bonds.....	—	—	—	—	—	—
c. Corporate bonds.....	—	—	—	—	—	—
(2) Foreign securities	—	—	—	—	—	—
a. Foreign bonds	—	—	—	—	—	—
Subtotal.....	45,712	51,296	5,583	405	455	49
Held-to-maturity securities with unrealized losses:						
(1) Bonds	—	—	—	—	—	—
a. Government bonds	—	—	—	—	—	—
b. Local government bonds.....	—	—	—	—	—	—
c. Corporate bonds.....	—	—	—	—	—	—
(2) Foreign securities	71,559	62,114	(9,445)	635	551	(83)
a. Foreign bonds	71,559	62,114	(9,445)	635	551	(83)
Subtotal.....	71,559	62,114	(9,445)	635	551	(83)
Total.....	117,272	113,410	(3,862)	1,040	1,006	(34)

3. Policy-reserve-matching Bonds

As of March 31, 2015			
	Carrying amount	Market value	Unrealized gains (losses)
(Unit: million yen)			
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	12,348,894	14,207,276	1,858,381
a. Government bonds	11,783,358	13,604,027	1,820,668
b. Local government bonds.....	83,784	92,704	8,920
c. Corporate bonds.....	481,751	510,544	28,793
(2) Foreign Securities.....	1,187,920	1,293,593	105,673
a. Foreign bonds	1,187,920	1,293,593	105,673
Subtotal	13,536,814	15,500,869	1,964,054
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	167,803	166,626	(1,176)
a. Government bonds	111,260	110,946	(313)
b. Local government bonds.....	1,029	1,011	(18)
c. Corporate bonds.....	55,513	54,667	(845)
(2) Foreign Securities.....	26,142	26,007	(134)
a. Foreign bonds	26,142	26,007	(134)
Subtotal	193,945	192,633	(1,311)
Total.....	13,730,760	15,693,503	1,962,743

As of March 31, 2016						
	Carrying amount	Market value	Unrealized gains (losses)	Carrying amount	Market value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Policy-reserve-matching bonds with unrealized gains:						
(1) Bonds	12,732,605	16,226,332	3,493,726	112,997	144,003	31,005
a. Government bonds	11,970,435	15,387,062	3,416,626	106,233	136,555	30,321
b. Local government bonds.....	88,042	105,430	17,387	781	935	154
c. Corporate bonds.....	674,127	733,839	59,712	5,982	6,512	529
(2) Foreign securities	1,790,126	1,883,214	93,088	15,886	16,712	826
a. Foreign bonds	1,790,126	1,883,214	93,088	15,886	16,712	826
Subtotal	14,522,732	18,109,547	3,586,814	128,884	160,716	31,831
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds	9,644	9,455	(189)	85	83	(1)
a. Government bonds	500	496	(4)	4	4	(0)
b. Local government bonds.....	327	323	(4)	2	2	(0)
c. Corporate bonds.....	8,816	8,635	(180)	78	76	(1)
(2) Foreign securities	77,843	76,236	(1,606)	690	676	(14)
a. Foreign bonds	77,843	76,236	(1,606)	690	676	(14)
Subtotal	87,488	85,691	(1,796)	776	760	(15)
Total.....	14,610,220	18,195,238	3,585,018	129,661	161,477	31,815

4. Available-for-sale Securities

As of March 31, 2015			
	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Unit: million yen)			
Available-for-sale securities with unrealized gains:			
(1) Bonds	4,253,125	3,836,985	416,139
a. Government bonds	2,829,790	2,481,840	347,949
b. Local government bonds.....	60,059	57,150	2,909
c. Corporate bonds.....	1,363,275	1,297,995	65,280
(2) Domestic stocks.....	3,334,981	1,527,586	1,807,394
(3) Foreign securities	7,733,702	6,442,740	1,290,961
a. Foreign bonds.....	6,943,224	5,891,550	1,051,674
b. Other foreign securities	790,477	551,190	239,287
(4) Other securities	876,549	788,661	87,888
Subtotal.....	16,198,359	12,595,974	3,602,384
Available-for-sale securities with unrealized losses:			
(1) Bonds	153,306	153,760	(453)
a. Government bonds.....	106,003	106,345	(342)
b. Local government bonds.....	—	—	—
c. Corporate bonds.....	47,303	47,414	(111)
(2) Domestic stocks.....	94,369	116,092	(21,723)
(3) Foreign securities	4,604,695	4,614,811	(10,115)
a. Foreign bonds.....	4,421,935	4,426,892	(4,957)
b. Other foreign securities	182,760	187,919	(5,158)
(4) Other securities	34,500	34,978	(478)
Subtotal.....	4,886,872	4,919,643	(32,771)
Total.....	21,085,231	17,515,618	3,569,613

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposits were ¥40,000 million and ¥40,000 million, respectively, as of March 31, 2015. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥252,203 million and ¥265,813 million, respectively, as of March 31, 2015.

As of March 31, 2016						
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Available-for-sale securities with unrealized gains:						
(1) Bonds	4,692,865	4,065,026	627,838	41,647	36,075	5,571
a. Government bonds	3,007,861	2,462,247	545,613	26,693	21,851	4,842
b. Local government bonds.....	47,178	44,485	2,693	418	394	23
c. Corporate bonds.....	1,637,825	1,558,293	79,531	14,535	13,829	705
(2) Domestic stocks.....	2,618,029	1,208,765	1,409,264	23,234	10,727	12,506
(3) Foreign securities	7,025,848	6,167,347	858,501	62,352	54,733	7,618
a. Foreign bonds	6,586,146	5,845,261	740,885	58,450	51,874	6,575
b. Other foreign securities	439,702	322,086	117,616	3,902	2,858	1,043
(4) Other securities	701,520	648,462	53,058	6,225	5,754	470
Subtotal.....	15,038,265	12,089,601	2,948,663	133,459	107,291	26,168
Available-for-sale securities with unrealized losses:						
(1) Bonds	39,190	40,299	(1,109)	347	357	(9)
a. Government bonds.....	8,722	8,784	(62)	77	77	(0)
b. Local government bonds.....	2,850	3,032	(181)	25	26	(1)
c. Corporate bonds.....	27,617	28,482	(865)	245	252	(7)
(2) Domestic stocks.....	372,455	468,913	(96,457)	3,305	4,161	(856)
(3) Foreign securities	5,136,192	5,564,987	(428,794)	45,582	49,387	(3,805)
a. Foreign bonds.....	4,755,249	5,156,003	(400,753)	42,201	45,757	(3,556)
b. Other foreign securities	380,942	408,983	(28,041)	3,380	3,629	(248)
(4) Other securities	294,840	308,187	(13,347)	2,616	2,735	(118)
Subtotal.....	5,842,678	6,382,388	(539,709)	51,851	56,641	(4,789)
Total.....	20,880,943	18,471,989	2,408,954	185,311	163,933	21,378

Note: Other securities include trust beneficiary rights, which were recorded as monetary claims bought on the consolidated balance sheet. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥226,436 million (US\$2,009 million) and ¥239,299 million (US\$2,123 million), respectively, as of March 31, 2016.

5. Held-to-maturity Bonds Sold

DL and its consolidated subsidiaries sold no held-to-maturity bonds during the years ended March 31, 2015 and 2016.

6. Policy-reserve-matching Bonds Sold

Policy-reserve-matching bonds sold during the years ended March 31, 2015 and 2016 were as follows:

Year ended March 31, 2015						
	Amounts sold	Realized gains	Realized losses			
	(Unit: million yen)					
(1) Bonds	244,677	9,061	1,922			
a. Government bonds	242,099	8,718	1,922			
b. Local government bonds	—	—	—			
c. Corporate bonds	2,577	343	—			
(2) Foreign securities	4,406	989	—			
a. Foreign bonds	4,406	989	—			
b. Other foreign securities	—	—	—			
Total	249,083	10,051	1,922			

Year ended March 31, 2016						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	8,610	310	—	76	2	—
a. Government bonds	—	—	—	—	—	—
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	8,610	310	—	76	2	—
(2) Foreign securities	51,836	2,007	192	460	17	1
a. Foreign bonds	51,836	2,007	192	460	17	1
b. Other foreign securities	—	—	—	—	—	—
Total	60,446	2,317	192	536	20	1

7. Available-for-sale Securities Sold

Available-for-sale securities sold during the years ended March 31, 2015 and 2016 were as follows.

Year ended March 31, 2015						
	Amounts sold	Realized gains	Realized losses			
(Unit: million yen)						
(1) Bonds	455,855	9,295	378			
a. Government bonds	294,114	5,382	71			
b. Local government bonds	470	16	1			
c. Corporate bonds	161,270	3,896	306			
(2) Domestic stocks	89,262	29,826	4,687			
(3) Foreign securities	1,923,468	97,367	16,781			
a. Foreign bonds	1,848,474	74,213	13,594			
b. Other foreign securities	74,993	23,154	3,187			
(4) Other securities	44,326	13,667	450			
Total	2,512,913	150,156	22,299			

Year ended March 31, 2016						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
(Unit: million yen)				(Unit: million US dollars)		
(1) Bonds	321,360	7,697	464	2,851	68	4
a. Government bonds	228,109	6,438	190	2,024	57	1
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	93,251	1,259	274	827	11	2
(2) Domestic stocks	104,291	34,591	4,406	925	306	39
(3) Foreign securities	2,391,246	173,683	56,628	21,221	1,541	502
a. Foreign bonds	2,125,406	112,586	38,354	18,862	999	340
b. Other foreign securities	265,839	61,096	18,273	2,359	542	162
(4) Other securities	88,544	4,119	2,598	785	36	23
Total	2,905,443	220,092	64,097	25,784	1,953	568

8. Securities Written Down

DL and its consolidated subsidiaries write down the balance of certain available-for-sale securities with market values (1) when the market value of such securities declines by 50%, or more, of its purchase cost or (2) when the market value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost. The aggregate amounts written down from the balance of available-for-sale securities with market value for the years ended March 31, 2015 and 2016 were ¥455 million and ¥ 4,108 million (US\$36 million), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	62,406	84,836	752
Gains (losses) on valuation of money held in trust.....	(477)	(5,450)	(48)

2. Money Held in Trust Classified as Available-For-Sale

	As of March 31, 2015		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Unit: million yen)			
Money held in trust classified as available-for-sale with unrealized gains:			
Money held in trust classified as available-for-sale.....	2,876	2,587	288
Total.....	2,876	2,587	288

	As of March 31, 2016					
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Money held in trust classified as available-for-sale with unrealized gains:						
Money held in trust classified as available-for-sale.....	2,640	2,587	52	23	22	0
Total.....	2,640	2,587	52	23	22	0

XII. DERIVATIVE TRANSACTIONS

1. Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions

As of March 31, 2015				
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Exchange-traded transactions:				
Currency futures:				
Sold	27,930	—	1,201	1,201
British pound / U.S. dollar	13,734	—	473	473
Euro / U.S. dollar	9,788	—	788	788
Yen / U.S. dollar	4,407	—	(60)	(60)
Over-the-counter transactions:				
Foreign currency forward contracts:				
Sold	1,650,262	—	23,354	23,354
U.S. dollar	632,401	—	(6,012)	(6,012)
Euro	522,799	—	26,811	26,811
Australian dollar	121,232	—	2,819	2,819
Canadian dollar	79,056	—	16	16
British pound	70,157	—	605	605
Others	224,614	—	(884)	(884)
Bought	1,146,992	—	(831)	(831)
U.S. dollar	637,934	—	415	415
Euro	132,000	—	(375)	(375)
Canadian dollar	70,852	—	(5)	(5)
Australian dollar	62,076	—	(314)	(314)
British pound	37,235	—	(611)	(611)
Others	206,892	—	59	59
Currency swaps:				
Receipts yen, payments foreign currency	1,560	1,560	(386)	(386)
Australian dollar	1,560	1,560	(386)	(386)
Currency options:				
Bought:				
Put	115,953			
[948]		—	43	(904)
U.S. dollar	115,953			
[948]		—	43	(904)
Total return swaps:				
Foreign currency index linked	248,572	248,572	238	238
Total				22,672

Note: 1. (1) Fair value of currency futures listed above is based on the prices quoted from counterparty financial institutions.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(3) Fair value of currency swaps is calculated by discounting expected cash flows.
(4) An option pricing model is used for fair value calculation of currency options.
(5) Fair value of total return swaps is based on fair value calculated by referred index of 31 March, 2015.
2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts and swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

As of March 31, 2016

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Currency futures:								
Sold	33,002	—	166	166	292	—	1	1
Euro / U.S. dollar	14,551	—	10	10	129	—	0	0
British pound / U.S. dollar	12,818	—	290	290	113	—	2	2
Yen / U.S. dollar	5,631	—	(134)	(134)	49	—	(1)	(1)
Over-the-counter transactions:								
Foreign currency forward contracts:								
Sold	1,519,781	—	13,123	13,123	13,487	—	116	116
U.S. dollar	620,059	—	16,987	16,987	5,502	—	150	150
Euro	407,142	—	3,216	3,216	3,613	—	28	28
Australian dollar	168,678	—	(5,508)	(5,508)	1,496	—	(48)	(48)
British pound	102,836	—	277	277	912	—	2	2
Canadian dollar	42,795	—	(253)	(253)	379	—	(2)	(2)
Others	178,269	—	(1,596)	(1,596)	1,582	—	(14)	(14)
Bought	881,113	—	(6,782)	(6,782)	7,819	—	(60)	(60)
U.S. dollar	466,897	—	(11,137)	(11,137)	4,143	—	(98)	(98)
Euro	131,026	—	1,145	1,145	1,162	—	10	10
Australian dollar	91,353	—	2,972	2,972	810	—	26	26
British pound	64,237	—	22	22	570	—	0	0
Canadian dollar	29,433	—	16	16	261	—	0	0
Others	98,164	—	198	198	871	—	1	1
Currency swaps:								
Receipts yen, payments								
foreign currency	1,560	—	(212)	(212)	13	—	(1)	(1)
Australian dollar	1,560	—	(212)	(212)	13	—	(1)	(1)
Currency options:								
Bought:								
Call	57,179				507			
	[722]	—	0	(722)	[6]	—	0	(6)
Euro	57,179				507			
	[722]	—	0	(722)	[6]	—	0	(6)
Put	241,613				2,144			
	[5,242]	—	3,440	(1,801)	[46]	—	30	(15)
U.S. dollar	219,498				1,947			
	[4,652]	—	3,435	(1,217)	[41]	—	30	(10)
Australian dollar	22,115				196			
	[589]	—	4	(584)	[5]	—	0	(5)
Total return swaps:								
Foreign currency index								
linked	226,706	226,706	(9,164)	(9,164)	2,011	2,011	(81)	(81)
Total				(5,394)				(47)

- Note: 1. (1) Fair value of currency futures listed above is based on the prices quoted from counterparty financial institutions.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(3) Fair value of currency swaps is calculated by discounting expected cash flows.
(4) An option pricing model is used for fair value calculation of currency options or the prices quoted from financial institutions.
(5) Fair value of total return swaps is based on fair value calculated by referred index of 31 March, 2016.
2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts and swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(2) Interest-related transactions

As of March 31, 2015				
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Over-the-counter transactions:				
Yen interest rate swaps:				
Receipts fixed, payments floating	239,398	230,028	19,776	19,776
Receipts floating, payments fixed	30,250	27,750	(437)	(437)
Yen interest rate swaptions:				
Sold:				
Receipts floating, payments fixed	200,000	200,000		
	[2,734]	[2,734]	1,425	1,308
Bought:				
Receipts fixed, payments floating	47,300			
	[1,611]	–	1,499	(112)
Receipts floating, payments fixed	786,606	506,606		
	[17,750]	[12,307]	5,241	(12,508)
Total				8,026

Note: 1. (1) Fair value of yen interest rate swaps listed above is present value of expected cash flows, discounted by the interest rates at the end of the year or the prices quoted from financial institutions.
 (2) An option pricing model is used for fair value calculation of yen interest rate swaptions or the prices quoted from financial institutions.
 2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
 3. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

As of March 31, 2016									
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	
	(Unit: million yen)				(Unit: million US dollars)				
Over-the-counter transactions:									
Yen interest rate swaps:									
Receipts fixed, payments floating.....	505,940	505,940	5,852	5,852	4,490	4,490	51	51	
Receipts floating, payments fixed.....	34,764	34,764	(194)	(194)	308	308	(1)	(1)	
Yen interest rate swaptions:									
Sold:									
Receipts floating, payments fixed	350,000	350,000			3,106	3,106			
	[1,672]	[1,672]	983	689	[14]	[14]	8	6	
Bought:									
Receipts fixed, payments floating	100,000				887				
	[2,457]	–	2,760	303	[21]	–	24	2	
Receipts floating, payments fixed	1,177,137	1,097,137			10,446	9,736			
	[20,662]	[19,739]	6,963	(13,698)	[183]	[175]	61	(121)	
Total				(7,048)				(62)	

Note: 1. (1) Fair value of yen interest rate swaps listed above is present value of expected cash flows, discounted by the interest rates at the end of the year or the prices quoted from financial institutions.
 (2) Fair value of yen interest rate swaptions is based on the prices quoted from financial institutions.
 2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
 3. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(3) Stock-related transactions

As of March 31, 2015

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Exchange-traded transactions:				
Yen stock index futures:				
Sold	57,306	—	1,204	1,204
Bought.....	9,245	—	15	15
Foreign currency-denominated stock index futures:				
Sold	75,848	—	(312)	(312)
Bought.....	7,662	—	58	58
Yen stock index options:				
Sold:				
Put	39,979	—	375	467
	[843]			
Bought:				
Put	44,948	—	745	(482)
	[1,227]			
Foreign currency-denominated stock index options:				
Sold:				
Call.....	83,203	—	3,028	243
	[3,272]			
Put	40,344	—	318	217
	[536]			
Bought:				
Call.....	79,159	—	5,496	149
	[5,346]			
Put	118,313	11,300	3,877	(6,970)
	[10,847]	[2,396]		
Others:				
Bought:				
Call.....	28	28	38	3
	[35]	[35]		
Over-the-counter transactions:				
Equity forward contracts to hedge domestic stocks:				
Bought:.....	47,524	—	(784)	(784)
Foreign currency-denominated stock options:				
Bought:				
Put	770	—	24	(44)
	[68]			
Yen stock index options:				
Bought:				
Put	6,931	6,786	516	(812)
	[1,329]	[1,307]		
Foreign currency-denominated stock index options:				
Sold:				
Call.....	9,524	—	301	95
	[396]			
Bought:				
Call.....	9,487	—	343	(105)
	[448]			
Put	64,874	58,376	7,594	(4,153)
	[11,748]	[10,871]		
Total				(11,210)

Note: 1. (1) Yen stock index futures, foreign currency-denominated stock index futures, yen stock index options and foreign currency-denominated stock index options.

Fair value is based on the closing exchange-traded prices and the prices quoted from financial institutions.

(2) Equity forward contracts

Fair value is based on the market price of underlying assets, interest rates and expected dividends, etc.

(3) Foreign currency-denominated stock option

An option pricing model is used for fair value calculation.

(4) Others

Fair value is based on the prices quoted from financial institutions.

2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.

3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)."

As of March 31, 2016

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)					(Unit: million US dollars)			
Exchange-traded transactions:								
Yen stock index futures:								
Sold	28,975	—	6	6	257	—	0	0
Bought.....	8,238	—	(4)	(4)	73	—	(0)	(0)
Foreign currency-denominated stock index futures:								
Sold	72,213	—	(517)	(517)	640	—	(4)	(4)
Bought.....	17,149	—	185	185	152	—	1	1
Yen stock index options:								
Sold:								
Call.....	59,972				532			
	[144]	—	2	141	[1]	—	0	1
Bought:								
Put	99,990				887			
	[6,366]	—	53	(6,312)	[56]	—	0	(56)
Foreign currency-denominated stock index options:								
Sold:								
Call.....	130,893				1,161			
	[5,070]	—	2,407	2,663	[44]	—	21	23
Bought:								
Call.....	106,155				942			
	[6,098]	—	4,077	(2,021)	[54]	—	36	(17)
Put	68,308	27,307			606	242		
	[8,079]	[5,868]	7,050	(1,029)	[71]	[52]	62	(9)
Others:								
Bought:								
Call.....	29	18			0	0		
	[36]	[15]	41	5	[0]	[0]	0	0
Over-the-counter transactions:								
Equity forward contracts to hedge domestic stocks:								
Bought:.....	9,784	—	(112)	(112)	86	—	(0)	(0)
Yen stock index options:								
Bought:								
Put	11,760	11,613			104	103		
	[2,671]	[2,645]	1,603	(1,068)	[23]	[23]	14	(9)
Foreign currency-denominated stock index options:								
Sold:								
Call.....	46,420				411			
	[1,590]	—	401	1,188	[14]	—	3	10
Bought:								
Call.....	45,323				402			
	[2,145]	—	801	(1,343)	[19]	—	7	(11)
Put	75,132	71,614			666	635		
	[13,971]	[13,479]	8,695	(5,276)	[123]	[119]	77	(46)
Total				(13,494)				(119)

Note: 1. (1) Yen stock index futures, foreign currency-denominated stock index futures, yen stock index options and foreign currency-denominated stock index options
Fair value is based on the closing exchange-traded prices and the prices quoted from financial institutions.
(2) Equity forward contracts
Fair value is based on the market price of underlying assets, interest rates and expected dividends, etc.
(3) Others
Fair value is based on the prices quoted from financial institutions.
2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)."

(4) Bond-related transactions

As of March 31, 2015			
	Notional amount/ contract value	Fair value	Gains (losses)
(Unit: million yen)			
Exchange-traded transactions:			
Yen bond futures:			
Bought	106,496	237	237
Foreign currency-denominated bond futures:			
Sold	11,850	(71)	(71)
Bought	192,896	55	55
Over-the-counter transactions:			
Bond OTC options:			
Sold:			
Call	357,459		
	[2,764]	2,137	626
Put	29,411		
	[136]	130	5
Bought:			
Call	29,411		
	[106]	90	(16)
Put	357,459		
	[5,850]	3,226	(2,623)
Total			(1,785)

Note: 1. (1) Fair value of yen bond futures is based on the closing exchange-traded prices.
(2) Fair value of foreign currency-denominated bond futures is based on the closing exchange-traded prices or the price presented by counterparty financial institutions.
(3) An option pricing model is used for fair value calculation of bond OTC options.
2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for futures and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

As of March 31, 2016						
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
(Unit: million yen)			(Unit: million US dollars)			
Exchange-traded transactions:						
Yen bond futures:						
Sold	21,057	26	26	186	0	0
Bought	52,395	(46)	(46)	464	(0)	(0)
Foreign currency-denominated bond futures:						
Sold	31,459	65	65	279	0	0
Bought	287,460	(25)	(25)	2,551	(0)	(0)
Over-the-counter transactions:						
Yen bond OTC options:						
Sold:						
Call	40,994			363		
	[191]	522	(331)	[1]	4	(2)
Put	45,379			402		
	[112]	113	(1)	[0]	1	(0)
Bought:						
Call	45,379			402		
	[101]	91	(9)	[0]	0	(0)
Put	40,994			363		
	[235]	109	(126)	[2]	0	(1)
Total			(447)			(3)

Note: 1. (1) Fair value of yen bond futures is based on the closing exchange-traded prices.
(2) Fair value of foreign currency-denominated bond futures is based on the closing exchange-traded prices or the price presented by counterparty financial institutions.
(3) Fair value of yen bond OTC options is based on the prices quoted from financial institutions.
2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for futures and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

(5) Others

a) Credit Default Swaps and Embedded Derivatives

As of March 31, 2015				
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Over-the-counter transactions:				
Credit default swaps:				
Sold protection.....	13,000	12,000	273	273
Bought protection	2,000	2,000	(52)	(52)
Others:				
Embedded derivatives	1,564,181	1,564,181	(76,727)	(76,727)
Total				(76,506)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value listed above is based on the present value of estimated future cash flows.
3. Fair value is shown in "Gains (losses)."

As of March 31, 2016								
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)					(Unit: million US dollars)			
Over-the-counter transactions:								
Credit default swaps:								
Sold protection.....	24,500	24,500	529	529	217	217	4	4
Others:								
Embedded derivatives	1,690,449	1,690,449	(58,945)	(58,945)	15,002	15,002	(523)	(523)
Total				(58,416)				(518)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value listed above is based on the present value of estimated future cash flows.
3. Fair value is shown in "Gains (losses)."

b) DFLI utilizes derivative transactions within its money held in trust for trading purposes and foreign securities (investment trust). Details of the derivative transactions are as follows:

i) Currency-related transactions

As of March 31, 2015			
	Notional amount/ contract value	Fair value	Gains (losses)
(Unit: million yen)			
Exchange-traded transactions:			
Currency futures:			
Sold	1,685	2	2
(Euro / U.S. dollar)	1,164	3	3
(British pound / U.S. dollar)	521	(1)	(1)
Bought.....	3,403	0	0
(Yen / U.S. dollar).....	3,403	0	0
Over-the-counter transactions:			
Foreign currency forward contracts:			
Sold	20,298	(49)	(49)
U.S. dollar.....	11,172	(158)	(158)
Euro	4,306	86	86
British pound	2,038	(5)	(5)
Canadian dollar	1,375	22	22
Australian dollar	1,015	13	13
Others.....	390	(8)	(8)
Bought.....	9,686	12	12
U.S. dollar.....	5,408	(1)	(1)
Euro	2,075	9	9
Canadian dollar	757	0	0
Australian dollar	734	2	2
British pound	710	1	1
Total			(34)

Note: 1. (1) Fair value of currency futures listed above is based on the closing exchange-traded prices.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
2. Fair value is shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

As of March 31, 2016						
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Exchange-traded transactions:						
Currency futures:						
Sold	18,533	(495)	(495)	164	(4)	(4)
(Euro / U.S. dollar)	12,810	(434)	(434)	113	(3)	(3)
(British pound / U.S. dollar)	5,722	(60)	(60)	50	(0)	(0)
Bought.....	38,187	(18)	(18)	338	(0)	(0)
(Yen / U.S. dollar).....	38,187	(18)	(18)	338	(0)	(0)
Over-the-counter transactions:						
Foreign currency forward contracts:						
Sold	122,921	1,027	1,027	1,090	9	9
U.S. dollar.....	81,267	1,244	1,244	721	11	11
Euro	24,191	(35)	(35)	214	(0)	(0)
British pound	7,738	158	158	68	1	1
Australian dollar.....	2,512	(141)	(141)	22	(1)	(1)
Canadian dollar	2,456	(117)	(117)	21	(1)	(1)
Others.....	4,754	(81)	(81)	42	(0)	(0)
Bought.....	1,462	2	2	12	0	0
U.S. dollar.....	1,462	2	2	12	0	0
Total			516			4

Note: 1. (1) Fair value of currency futures listed above is based on the closing exchange-traded prices.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
2. Fair value is shown in "Gains (losses)."
3. There were no transactions with maturity of more than one year in the table above.

ii) Stock-related transactions

As of March 31, 2015			
	Notional amount/ contract value	Fair value	Gains (losses)
(Unit: million yen)			
Exchange-traded transactions:			
Yen stock index futures:			
Sold	2,102	3	3
Foreign currency-denominated stock index futures:			
Sold	1,497	5	5
Total			9

Note: 1. Fair value listed above is based on the closing exchange-traded prices.
2. Fair value is shown in "Gains (losses)."
3. There were no transactions with maturity of more than one year in the table above.

As of March 31, 2016						
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
(Unit: million yen)				(Unit: million US dollars)		
Exchange-traded transactions:						
Yen stock index futures:						
Sold	57,326	(292)	(292)	508	(2)	(2)
Foreign currency-denominated stock index futures:						
Sold	59,460	(1,341)	(1,341)	527	(11)	(11)
Total			(1,634)			(14)

Note: 1. Fair value listed above is based on the closing exchange-traded prices.
2. Fair value is shown in "Gains (losses)."
3. There were no transactions with maturity of more than one year in the table above.

iii) Bond-related transactions

As of March 31, 2015			
	Notional amount/ contract value	Fair value	Gains (losses)
(Unit: million yen)			
Exchange-traded transactions:			
Yen bond futures:			
Bought	46,117	(37)	(37)
Foreign currency-denominated bond futures:			
Sold	2,024	(1)	(1)
Total			(39)

Note: 1. Fair value listed above is based on the closing exchange-traded prices.
2. Fair value is shown in "Gains (losses)."
3. There were no transactions with maturity of more than one year in the table above.

As of March 31, 2016						
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
(Unit: million yen)				(Unit: million US dollars)		
Exchange-traded transactions:						
Yen bond futures:						
Sold	72,556	(67)	(67)	643	(0)	(0)
Foreign currency-denominated bond futures:						
Sold	119,272	90	90	1,058	0	0
Total			22			0

Note: 1. Fair value listed above is based on the closing exchange-traded prices.
2. Fair value is shown in "Gains (losses)."
3. There were no transactions with maturity of more than one year in the table above.

2. Derivative Transactions (Hedge Accounting Applied)

(1) Currency-related transactions

As of March 31, 2015			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
(Unit: million yen)			
Deferral hedge:			
Currency swaps to hedge foreign currency-denominated bonds:			
Receipts yen, payments			
foreign currency	105,126	105,126	(16,550)
U.S. dollar	92,336	92,336	(16,903)
Euro	12,790	12,790	352
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	3,325,730	—	(47,731)
U.S. dollar	1,458,337	—	(68,333)
Euro	1,040,408	—	20,549
Australian dollar	354,309	—	7,140
British pound	134,114	—	(1,136)
Canadian dollar	23,889	—	(366)
Others	314,670	—	(5,584)
Bought	4,013	—	(85)
U.S. dollar	2,603	—	50
Euro	1,271	—	(137)
British pound	19	—	0
Others	118	—	0
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:			
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:			
Sold	577,349	—	(⁽¹⁾)
Australian dollar	273,603	—	(⁽¹⁾)
U.S. dollar	164,861	—	(⁽¹⁾)
Others	138,883	—	(⁽¹⁾)
Currency swaps to hedge foreign currency-denominated bonds payable and loans:			
Receipts foreign currency, payments yen	215,727	215,727	(⁽²⁾)
Foreign currency-denominated bonds payable:			
U.S. dollar	215,727	215,727	(⁽²⁾)
Receipts yen, payments foreign currency	26,767	26,767	(⁽²⁾)
Foreign currency-denominated loans			
U.S. dollar	26,767	26,767	(⁽²⁾)

Note: 1. Currency swaps:

Fair value of currency swaps is calculated by discounting expected cash flows.

2. Foreign currency forward contracts:

Forward exchange rates at the end of the fiscal year are used for fair value calculation.

(⁽¹⁾) As foreign currency forward contracts which apply the currency allotment method are accounted for as combined with foreign currency-denominated term deposits as hedged items, their fair value is included in the fair value of such foreign currency-denominated term deposits.

(⁽²⁾) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.

As of March 31, 2016						
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Currency swaps to hedge foreign currency-denominated bonds:						
Receipts yen, payments foreign						
currency.....	205,817	205,817	(887)	1,826	1,826	(7)
U.S. dollar	155,920	155,920	(2,941)	1,383	1,383	(26)
Euro	49,897	49,897	2,053	442	442	18
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold.....	3,609,448	—	108,567	32,032	—	963
U.S. dollar	1,794,006	—	54,939	15,921	—	487
Euro	961,588	—	43,872	8,533	—	389
Australian dollar	301,556	—	(10,043)	2,676	—	(89)
British pound.....	158,245	—	8,654	1,404	—	76
Canadian dollar	18,773	—	(1,015)	166	—	(9)
Others	375,277	—	12,160	3,330	—	107
Bought	2,895	—	(108)	25	—	(0)
U.S. dollar	2,203	—	(114)	19	—	(1)
Euro	248	—	(4)	2	—	(0)
British pound.....	159	—	(17)	1	—	(0)
Australian dollar	2	—	0	0	—	0
Others	281	—	27	2	—	0
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:						
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:						
Sold.....	473,975	—	(⁽¹⁾)	4,206	—	(⁽¹⁾)
Australian dollar	179,108	—	(⁽¹⁾)	1,589	—	(⁽¹⁾)
U.S. dollar	124,888	—	(⁽¹⁾)	1,108	—	(⁽¹⁾)
Others	169,978	—	(⁽¹⁾)	1,508	—	(⁽¹⁾)
Currency swaps to hedge foreign currency-denominated bonds payable and loans:						
Receipts foreign currency,						
payments yen	215,727	215,727	(⁽²⁾)	1,914	1,914	(⁽²⁾)
Foreign currency-denominated						
bonds payable:						
U.S. dollar.....	215,727	215,727	(⁽²⁾)	1,914	1,914	(⁽²⁾)
Receipts yen, payments foreign						
currency.....	33,402	33,402	(⁽²⁾)	296	296	(⁽²⁾)
Foreign currency-denominated						
loans:						
U.S. dollar.....	33,402	33,402	(⁽²⁾)	296	296	(⁽²⁾)

Note: 1. Currency swaps:

Fair value of currency swaps is calculated by discounting expected cash flows.

2. Foreign currency forward contracts:

Forward exchange rates at the end of the fiscal year are used for fair value calculation.

(⁽¹⁾) As foreign currency forward contracts which apply the currency allotment method are accounted for as combined with foreign currency-denominated term deposits as hedged items, their fair value is included in the fair value of such foreign currency-denominated term deposits.

(⁽²⁾) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.

(2) Interest-related transactions

As of March 31, 2015			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
(Unit: million yen)			
Deferral hedge:			
Yen interest rate swaps to hedge loans payable:			
Receipts floating, payments fixed ...	320,000	—	(426)
Inflation linked yen interest rate swaps to hedge funding agreements:			
Receipts floating, payments fixed ...	3,081	—	(11)
Special hedge accounting			
Yen interest rate swaps to hedge loans:			
Receipts fixed, payments floating ...	14,800	12,800	394

Note: 1. Yen interest rate swaps:

Fair value listed above is present values of expected cash flows, discounted by the interest rates at the end of the fiscal year.

2. Inflation linked yen interest rate swaps:

Fair value listed above is present values of expected cash flows.

As of March 31, 2016						
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating...	15,800	11,800	482	140	104	4
Yen interest rate swaps to hedge loans payable:						
Receipts floating, payments fixed...	283,000	283,000	(4,022)	2,511	2,511	(35)

Note: Fair value listed above is present values of expected cash flows, discounted by the interest rates at the end of the fiscal year.

(3) Stock-related transactions

As of March 31, 2015		
	Notional amount/ contract value	Fair value
	(Unit: million yen)	

Fair value hedge:

Equity forward contracts to hedge domestic stocks:

Sold.....	112,344	(4,499)
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Note: 1. Fair value listed above is based on the market price of underlying assets, interest rates and expected dividends, etc.
2. There were no transactions with maturity of more than one year in the table above.

As of March 31, 2016				
	Notional amount/ contract value	Fair value	Notional amount/ contract value	Fair value
	(Unit: million yen)		(Unit: million US dollars)	

Fair value hedge:

Equity forward contracts to hedge domestic stocks:

Sold.....	10,288	194	91	1
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Note: 1. Fair value listed above is based on the market price of underlying assets, interest rates and expected dividends, etc.
2. There were no transactions with maturity of more than one year in the table above.

(4) Bond-related transactions

As of March 31, 2015:

There was no transaction.

As of March 31, 2016				
	Notional amount/ contract value	Fair value	Notional amount/ contract value	Fair value
	(Unit: million yen)		(Unit: million US dollars)	

Deferral hedge:

Foreign currency-denominated bonds OTC options to hedge

foreign currency-denominated bonds:

Sold:

Call.....	114,736		1,018	
	[2,265]	3,837	[20]	34

Bought:

Put.....	114,736		1,018	
	[2,265]	561	[20]	4

Note: 1. Fair value listed above is the prices calculated by the option pricing model or the prices quoted from financial institutions.
2. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
3. There were no transactions with maturity of more than one year in the table above.

XIII. EMPLOYEES' RETIREMENT BENEFITS

1. Overview of Employees' Retirement Benefit Plan of the Group

As a defined benefit plan for its sales representatives, DL has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension.

For its administrative personnels, DL has established and maintained a benefit plan consisting of defined benefit corporate pension and retirement lump sum grants as a defined benefit plan and defined contribution pension as a defined contribution plan.

Certain consolidated domestic subsidiaries have maintained their benefit plan consisting of retirement lump sum grants and defined benefit corporate pension. Certain consolidated overseas subsidiaries have maintained their defined benefit plan and defined contribution plan.

2. Defined benefit plans

(1) Reconciliations of beginning and ending balances of projected benefit obligations

(Except for the plans which apply the simplified method)

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the projected benefit obligations.....	634,657	649,776	5,766
Cumulative effect of changes in accounting policies.....	(16,351)	–	–
Beginning balance of the year reflecting the effect of changes in accounting policies	618,306	649,776	5,766
Service cost.....	25,013	25,452	225
Interest cost.....	10,469	11,612	103
Accruals of actuarial (gains) and losses	(7,748)	86,221	765
Payment of retirement benefits	(34,400)	(34,863)	(309)
Increases due to new consolidation.....	39,299	–	–
Others.....	(1,161)	(495)	(4)
Ending balance of the projected benefit obligation.....	649,776	737,704	6,546

(2) Reconciliations of beginning and ending balances of pension assets

(Except for the plans which apply the simplified method)

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of pension assets.....	249,559	319,579	2,836
Expected return on assets.....	2,049	3,797	33
Accruals of actuarial (gains) and losses	45,024	(26,447)	(234)
Contributions from the employer.....	7,448	7,675	68
Payment of retirement benefits	(8,367)	(10,042)	(89)
Increases due to new consolidation.....	23,865	–	–
Others.....	–	476	4
Ending balance of pension assets	319,579	295,038	2,618

(3) Reconciliations of beginning and ending balances of net defined benefit liabilities for the plans which apply the simplified method

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the net defined benefit liabilities.....	338	419	3
Retirement benefit expenses.....	114	101	0
Payment of retirement benefits	(73)	(107)	(0)
Increases due to new consolidation.....	39	–	–
Others.....	0	(1)	(0)
Ending balance of the net defined benefit liabilities.....	419	412	3

(4) Reconciliations of year-end balance of projected benefit obligations and pension assets, and net defined benefit liabilities and assets that have been recorded in the consolidated balance sheet

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation of funded plans	387,074	422,745	3,751
Pension assets	(319,579)	(295,038)	(2,618)
	67,494	127,706	1,133
Projected benefit obligation of unfunded plans	263,122	315,371	2,798
Net of assets and liabilities recorded in the consolidated balance sheet	330,616	443,077	3,932
Net defined benefit liabilities	331,322	443,842	3,938
Net defined benefit assets.....	(705)	(764)	(6)
Net of assets and liabilities recorded in the consolidated balance sheet	330,616	443,077	3,932

(5) Amount of the components of retirement benefit expenses

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Service cost.....	25,013	25,452	225
Interest cost.....	10,469	11,612	103
Expected return on assets	(2,049)	(3,797)	(33)
Expense of actuarial (gains) and losses	(1,315)	(10,118)	(89)
Retirement benefit expenses calculated in simplified method.....	114	101	0
Others.....	501	418	3
Retirement benefit expenses of defined benefit plans.....	32,733	23,670	210

(6) Remeasurements of defined benefit plans

Breakdown of items recorded in remeasurements of defined benefit plans (before applicable tax effect) is as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Actuarial gains (losses).....	51,547	(122,463)	(1,086)
Total	51,547	(122,463)	(1,086)

(7) Accumulated remeasurements of defined benefit plans

Breakdown of items recorded in accumulated remeasurements of defined benefit plans (before applicable tax effect) is as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized actuarial gains (losses).....	(75,883)	46,579	413
Total	(75,883)	46,579	413

(8) Pension assets

a) The main components of the pension assets

Ratios of the major assets to the pension assets are as follows:

	Year ended March 31,	
	2015	2016
Stock	61%	55%
Bond	16%	14%
Asset under joint management	6%	14%
Life insurance general account	11%	9%
Others.....	6%	8%
Total	100%	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2015 and 2016 were 52% and 49%, respectively.

b) The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

(9) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end are as follows:

	Year ended March 31,	
	2015	2016
Discount rate	1.10 to 3.55%	0.30 to 4.29%
Expected long-term rate of return		
Defined benefit corporate pension	1.00 or 1.70%	1.00 to 7.25%
Employee pension trust	0.00%	0.00%

3. Defined contribution plans

Required amount of contribution to defined contribution plans for the years ended March 31, 2015 and 2016 is ¥1,644 million and ¥2,360 million (US\$ 20 million), respectively.

XIV. STOCK OPTIONS

1. The account used to record expenses associated with issuing stock options and the amount expensed

Operating expenses for the fiscal year ended March 31, 2015: ¥244 million

Operating expenses for the fiscal year ended March 31, 2016: ¥256 million (US\$2 million)

2. Details of the stock options granted for the fiscal year ended March 31, 2016

(1) Details of the stock options

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Granted persons	10 directors (except outside directors) and 16 executive officers of DL	11 directors (except outside directors) and 16 executive officers of DL	11 directors (except outside directors) and 17 executive officers of DL
Class and total number ^(*)	169,800 shares of common stock	318,700 shares of common stock	183,700 shares of common stock
Grant date	August 16, 2011	August 16, 2012	August 16, 2013
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period	From August 17, 2011 to August 16, 2041 A granted person can exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of DL.	From August 17, 2012 to August 16, 2042 A granted person can exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of DL.	From August 17, 2013 to August 16, 2043 A granted person can exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of DL.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	
Granted persons	11 directors (except outside directors) and 17 executive officers of DL	11 directors (except outside directors) and 18 executive officers of DL	
Class and total number ^(*)	179,000 shares of common stock	110,600 shares of common stock	
Grant date	August 18, 2014	August 17, 2015	
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	
Service period covered	N/A	N/A	
Exercise period	From August 19, 2014 to August 18, 2044 A granted person can exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of DL.	From August 18, 2015 to August 17, 2045 A granted person can exercise stock options only within 10 days from the day following the date on which she/he loses the status as both a director and an executive officer of DL.	

(*) It has been described in terms of the number of shares. The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.

(2) Figures relating to the stock options

The following table covers stock options which existed during the fiscal year ended March 31, 2016 and the total number of stock options is translated to the number of common stock.

a) Number of the stock options (shares)

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Before vesting			
Outstanding at the end of prior fiscal year	–	–	–
Granted	–	–	–
Forfeited	–	–	–
Vested	–	–	–
Outstanding at the end of the fiscal year	–	–	–
After vesting			
Outstanding at the end of prior fiscal year	117,600	253,900	162,000
Vested	–	–	–
Exercised	18,900	34,500	15,100
Forfeited	–	–	–
Outstanding at the end of the fiscal year	98,700	219,400	146,900

	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Before vesting		
Outstanding at the end of prior fiscal year	–	–
Granted	–	110,600
Forfeited	–	–
Vested	–	110,600
Outstanding at the end of the fiscal year	–	–
After vesting		
Outstanding at the end of prior fiscal year	179,000	–
Vested	–	110,600
Exercised	15,800	–
Forfeited	–	–
Outstanding at the end of the fiscal year	163,200	110,600

Note: It has been described in terms of the number of shares. The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.

b) Price information

	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,788 (US\$15)	¥1,788 (US\$15)	¥1,788 (US\$15)
Fair value at the grant date	¥885 (US\$7)	¥766 (US\$6)	¥1,300 (US\$11)

	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,788 (US\$15)	¥— (US\$—)
Fair value at the grant date	¥1,366 (US\$12)	¥2,318 (US\$20)

Note: It has been described in terms of the number of shares. The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.

3. Valuation method used for estimating fair value of stock options

Stock options granted for the fiscal year ended March 31, 2015 and 2016 were valued as follows:

(1) Valuation method

Black-Scholes Model

(2) Assumptions

Stock options granted for the fiscal year ended March 31, 2016

	5th Series of Stock Acquisition Rights
Expected volatility ^{(*)1}	34.717%
Expected durations ^{(*)2}	3 years
Expected dividends ^{(*)3}	¥35 (US\$0.31)
Risk-free interest rate ^{(*)4}	0.005%

(*)1 Computed based on the closing prices of common stock in each trading day from August 15, 2012 to August 14, 2015.

(*)2 Computed based on the average service period from the grant date to expected exercise date.

(*)3 Computed based on the expected dividend for the fiscal year ended March 31, 2016.

(*)4 Based on yields of Japanese government bonds for a term corresponding to the expected durations.

4. Method to estimate the number of stock options vested

Only the actual number of forfeited stock options is considered, because it is difficult to rationally estimate the number of stock options to be forfeited in the future.

XV. DEFERRED TAX ACCOUNTING

1. Major components of deferred tax assets and liabilities

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Deferred tax assets:			
Policy reserves and others.....	466,068	468,506	4,157
Net defined benefits liabilities.....	140,018	165,437	1,468
Net unrealized losses on securities, net of tax	–	80,994	718
Reserve for price fluctuations.....	39,189	43,386	385
Other assets.....	40,375	33,091	293
Others	98,226	115,546	1,025
Subtotal	783,879	906,963	8,049
Valuation allowances	(77,032)	(73,109)	(648)
Total.....	706,847	833,854	7,400
Deferred tax liabilities:			
Net unrealized gains on securities, net of tax.....	(1,008,675)	(761,560)	(6,758)
Evaluation difference related to business combination.....	(202,684)	(182,284)	(1,617)
Other intangible fixed assets	(94,862)	(87,063)	(772)
Others	(42,643)	(72,351)	(642)
Total.....	(1,348,865)	(1,103,259)	(9,791)
Net deferred tax assets (liabilities).....	(642,018)	(269,405)	(2,390)

2. The principal reasons for the difference between the statutory effective tax rate and actual effective tax rate after considering deferred taxes

	As of March 31,	
	2015	2016
Statutory effective tax rate	30.68%	28.76%
(Adjustments)		
Decrease in deferred tax assets in relation to change in tax rates	14.60%	6.63%
Transfer from reserve for land revaluation.....	(0.11%)	(2.55%)
Others.....	1.76%	(0.03%)
Actual effective tax rate after considering deferred taxes.....	46.93%	32.81%

3. Adjustment of deferred tax assets and liabilities due to changes in effective statutory tax rate

Pursuant to the enactment of the “Act on the Partial Revision of the Income Tax Act, etc.” and “Act for Partial Amendment of the Local Tax Act, etc.” in the Diet on March 29, 2016, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities has been changed from 28.76% to 28.16% for the fiscal year beginning on April 1, 2016 or later, and to 27.92% for the fiscal year beginning on April 1, 2018 or later.

As a result, deferred tax assets decreased by ¥54 million (US\$0 million), deferred tax liabilities decreased by ¥5,188 million (US\$46 million) and corporate income taxes-deferred increased by ¥17,626 million (US\$156 million).

XVI. ASSET RETIREMENT OBLIGATIONS

1. Overview of Asset Retirement Obligations

DL recognized statutory or similar obligations associated with some of its real estate for rent and business use with regard to (1) restoring the tangible fixed assets and (2) the removal of certain harmful substances in the tangible fixed assets at the termination of real estate lease agreement and so recorded the asset retirement obligation.

2. Calculation Method of Asset Retirement Obligations

DL calculated the asset retirement obligation by (1) estimating the period of service of each building between 0 and 37 years based on its contract term and useful life and (2) applying discount rates ranging from 0.144% to 2.293% for the year ended March 31, 2016 (0.144% to 2.294% for the year ended March 31, 2015).

3. Increase and Decrease in Asset Retirement Obligations

The following table shows the increase and decrease in asset retirement obligations:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance.....	2,831	2,789	24
Time progress adjustments.....	40	37	0
Others.....	(82)	(151)	(1)
Ending balance.....	2,789	2,675	23

Note: The detailed information has been omitted as both beginning and ending balance for the fiscal years of 2015 and 2016 are 1% or less of DL's total liabilities and net assets.

XVII. REAL ESTATE FOR RENT

DL owns a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the years ended March 31, 2015 and 2016 was ¥27,342 million and ¥29,557 million (US\$262 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. DL recorded impairment loss on rental real estate as extraordinary losses for the fiscal years ended March 31, 2015 and 2016 was ¥4,585 million and ¥3,419 million (US\$30 million), respectively.

The carrying amount, net change during the year and the market value of such rental real estate were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount:			
Beginning balance	803,093	803,708	7,132
Net change during year	615	3,580	31
Ending balance	803,708	807,289	7,164
Market value	823,457	864,061	7,668

Note: 1. The carrying amount of rental real estate on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.

2. Net change in carrying amount includes cost of acquisition of the real estate for ¥22,408 million, the depreciation expense of ¥14,620 million, impairment loss for ¥4,585 million and sale of the real estate for ¥3,484 million during the year ended March 31, 2015, and cost of acquisition of the real estate for ¥16,526 million (US\$146 million), depreciation expense of ¥14,153 million (US\$125 million), impairment loss for ¥3,419 million (US\$30 million) and sale of the real estate for ¥2,325 million (US\$20 million) during the year ended March 31, 2016.

3. DL calculates the market value of the majority of the rental real estate based on real estate appraisal standards by an independent appraiser, and others based on the internal but reasonable estimates.

XVIII. SEGMENT INFORMATION AND OTHERS

1. Segment Information

For the years ended March 31, 2015 and 2016

Overview of the reporting segments

The overview of the reporting segment has been omitted as DL on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business.

2. Other Related Information

For the years ended March 31, 2015:

(1) Product (Service) Segment Information

The product (service) segment information has been omitted as the Group's operations consist of only one product (service) segment.

(2) Geographic Segment Information

The geographic segment information has been omitted as more than 90% of the Group's ordinary revenues and tangible fixed assets derive from its business unit in Japan.

(3) Major Customer Information

The major customer information has been omitted as no single customer accounts for 10% or more of the Group's ordinary revenues.

For the year ended March 31, 2016:

(1) Product (Service) Segment Information

The product (service) segment information has been omitted as the Group's operations consist of only one product (service) segment.

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31,	
	(Unit: million yen)	(Unit: million US dollars)
Ordinary revenues		
Japan	6,018,832	53,415
United States of America	822,867	7,302
Other Areas	492,247	4,368
Total	7,333,947	65,086

Note: 1. Ordinary revenues, instead of sales, are presented here.

2. Geographic area is classified into "Japan," "United States of America" or "Other Areas" mainly based on locations of customers.

b) Tangible fixed assets

The geographic segment information has been omitted as more than 90% of the Group's tangible fixed assets derive from its business unit in Japan.

(3) Major Customer Information

The major customer information has been omitted as no single customer accounts for 10% or more of the Group's ordinary revenues.

3. Impairment Losses on Fixed Assets by Reporting Segment

For the years ended March 31, 2015 and 2016

The information on impairment losses on fixed assets by reporting segment has been omitted as the Group's operations consist of only one segment.

4. Amortization of Goodwill and Unamortized Amount of Goodwill by Reporting Segment

For the years ended March 31, 2015 and 2016

The information on the amortization of goodwill and unamortized amount of goodwill by reporting segment has been omitted as the Group's operations consist of only one segment.

5. Gain on Negative Goodwill by Reporting Segment

For the years ended March 31, 2015 and 2016

Not applicable

6. Related Party Transactions

For the years ended March 31, 2015 and 2016

There are no significant transactions to be disclosed.

XIX. PER SHARE INFORMATION

	As of / Year ended March 31,		
	2015	2016	2016
	(Unit: yen)		(Unit: US dollars)
Net assets per share	3,012.46	2,472.86	21.94
Net income per share	124.94	150.53	1.33
Diluted net income per share	124.87	150.44	1.33

Note: 1. The Company applied the Business Combinations Accounting Standard and other standards as described in the "Changes in Accounting Policies". As a result, net assets per share for this fiscal year ended March 31, 2016 decreased by ¥13.62 (US\$0.12).

2. Underlying basis for the calculation of the net income per share and the diluted net income per share was as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company	142,476	178,515	1,584
Net income attributable to other than shareholders of common stock.....	—	—	—
Net income attributable to shareholders of common stock	142,476	178,515	1,584
Average number of common stock outstanding	1,140,358	1,185,939	1,185,939
	thousand shares	thousand shares	thousand shares
Diluted net income per share			
Adjustments to net income.....	—	—	—
Increase in the number of common stock.....	665 thousand shares	701 thousand shares	701 thousand shares
[Increase in the number of common stock attributable to subscription rights to shares]	[665 thousand shares]	[701 thousand shares]	[701 thousand shares]
Outline of the dilutive shares which are not counted in the basis of calculation of diluted net income per share because they do not have dilutive effect	—	—	—

Note: 3. Underlying basis for the calculation of the net assets per share was as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Net assets	3,589,927	2,932,959	26,029
Adjustments	(821)	(998)	(8)
Subscription rights to shares.....	(753)	(925)	(8)
Non-controlling interests	(67)	(72)	(0)
Net assets attributable to common stock.....	3,589,106	2,931,960	26,020
Number of outstanding common stock	1,191,420	1,185,654	1,185,654
	thousand	thousand	thousand
	shares	shares	shares

Note: 4. For the calculation of net income per share, the treasury stock which includes shares held by (1) "the Stock Granting Trust (J-ESOP)" and (2) "the Company's Trust-type Employee Shareholding Incentive Plan (E-Ship®)" was excluded from the average number of common shares outstanding. The average number of treasury stocks during the year ended March 31, 2015 and 2016 was 7,042 thousand shares and 5,982 thousand shares, respectively. For the calculation of net assets per share, the treasury stock which includes shares held by the J-ESOP and the E-ship® was excluded from the total number of issued and outstanding shares. The number of treasury stocks as of March 31, 2015 and 2016 was 6,518 thousand shares and 5,490 thousand shares, respectively.

XX. SUBSEQUENT EVENTS

- The Company intends to shift to a holding company structure (the "Transition"). In connection with the Transition, the Company resolved at its Board of Directors meeting held on April 8, 2016 that its domestic life insurance business will be succeeded by The Dai-ichi Life Split Preparation Company, Limited, a wholly-owned subsidiary of the Company that was incorporated on April 1, 2016 (the "Successor"). Accordingly, the Company concluded a definitive agreement with the Successor with respect to an absorption-type corporate split (the "Agreement") which is expected to become effective on October 1, 2016.

Although the 6th annual general meeting of shareholders held on June 24, 2016 resolved the proposal related to the Agreement and necessary amendments to the Articles of Incorporation of the Company, the Agreement shall become effective subject to the approvals of regulatory authorities.

With effect from October 1, 2016, the Company will become a holding company with a new trade name, "Dai-ichi Life Holdings, Inc.", and a new corporate purpose of managing the group's operating companies.

<Overview of the Parties to the Agreement>

	The Company (As of March 31, 2016)	The Successor (As of April 1, 2016)
(1) Trade name	The Dai-ichi Life Insurance Company, Limited ¹	The Dai-ichi Life Split Preparation Company, Limited ²
(2) Address	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Representative	Koichiro Watanabe, President and Representative Director	Yuji Kawazoe, Representative Director
(4) Business	Life insurance business	Preparation for undertaking life insurance business, etc.
(5) Capital stock	343,146 million yen (US\$3,045 million)	100 million yen (US\$0 million)
(6) Date of incorporation	September 15, 1902	April 1, 2016
(7) Number of shares issued	1,198,023,000	10
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders ³	Japan Trustee Services Bank, Ltd. (Trust Account): 5.14% BNY GCM Client Account JPRD AC ISG (FE-AC): 4.02% Mizuho Bank, Ltd: 3.77% The Master Trust Bank of Japan, Ltd. (Trust Account): 3.60% GOLDMAN SACHS INTERNATIONAL: 2.64%	The Dai-ichi Life Insurance Company, Limited: 100%

	The Company (As of March 31, 2016)	The Successor (As of April 1, 2016)
(10) Consolidated results of operations and financial position		
	Fiscal Year ended March 31, 2016	
Net assets	2,932,959 million yen (US\$26,029 million)	
Total assets	49,924,922 million yen (US\$443,068 million)	
Net assets per share	2,472.86 yen (US\$21.94)	
Ordinary revenues	7,333,947 million yen (US\$65,086 million)	
Ordinary profit	418,166 million yen (US\$3,711 million)	
Net income attributable to shareholders of Dai-ichi Life	178,515 million yen (US\$1,584 million)	
Net income per share	150.53 yen (US\$1.33)	

*1. The trade name will be changed to "Dai-ichi Life Holdings, Inc." as of October 1, 2016.

*2. The trade name will be changed to "The Dai-ichi Life Insurance Company, Limited" as of October 1, 2016.

*3. The percentage of shares outstanding are calculated by excluding the treasury stock (6,878 thousand shares).

2. The board of directors of the Company resolved at its meeting held on May 13, 2016 to repurchase the Company's own shares under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the Act, as follows.

(1) Reason for the Repurchase of the Company's own shares

To enhance shareholder return through the implementation of a flexible capital policy and the improvement of capital efficiency.

(2) Details of the Repurchase

- a) Class of shares to be repurchased
Shares of common stock
- b) Aggregate number of shares to be repurchased
Up to 16,000,000 shares
- c) Aggregate price of shares to be repurchased
Up to 16,000 million yen (US\$141 million)
- d) Period of repurchase of shares
From May 16, 2016 to June 21, 2016
- e) Method of repurchase of shares
Open-market repurchase by the trust method

(3) Conclusion of the Repurchase

- a) Aggregate number of shares repurchased
11,695,500 shares
- b) Aggregate repurchase price of the shares
15,999 million yen (US\$141 million)
- c) Period in which repurchases were made
From May 16, 2016 to June 9, 2016

(Unaudited) XXI. QUARTERLY INFORMATION

	Three months ended June 30, 2015	Six months ended September 30, 2015	Nine months ended December 31, 2015	Year ended March 31, 2016
Ordinary revenues (million yen)	1,871,005	3,683,339	5,418,939	7,333,947
Income before income taxes (million yen)	152,247	183,952	235,113	265,702
Net income attributable to shareholders of parent company (million yen)	115,223	135,179	173,526	178,515
Net income attributable to shareholders of parent company per share (yen)	97.00	113.93	146.30	150.53

	Three months ended June 30, 2015	Three months ended September 30, 2015	Three months ended December 31, 2015	Three months ended March 31, 2016
Net income attributable to shareholders of parent company per share (yen)	97.00	16.84	32.35	4.21

	Three months ended June 30, 2015	Six months ended September 30, 2015	Nine months ended December 31, 2015	Year ended March 31, 2016
Ordinary revenues (million US dollars)	16,604	32,688	48,091	65,086
Income before income taxes (million US dollars)	1,351	1,632	2,086	2,358
Net income attributable to shareholders of parent company (million US dollars)	1,022	1,199	1,539	1,584
Net income attributable to shareholders of parent company per share (US dollars)	0.86	1.01	1.29	1.33

	Three months ended June 30, 2015	Three months ended September 30, 2015	Three months ended December 31, 2015	Three months ended March 31, 2016
Net income attributable to shareholders of parent company per share (US dollars)	0.86	0.14	0.28	0.03



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho, Chiyoda-ku
Tokyo, Japan 100-0011

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197
www.shinnihon.or.jp

Independent Auditor's Report

The Board of Directors
The Dai-ichi Life Insurance Company, Limited

We have audited the accompanying consolidated financial statements of The Dai-ichi Life Insurance Company, Limited and its consolidated subsidiaries, which comprise the consolidated balance sheet as of March 31, 2016, and the consolidated statements of earnings, comprehensive income changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

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 consolidated financial position of The Dai-ichi Life Insurance Company, Limited and its consolidated subsidiaries as of March 31, 2016, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 24, 2016

Non-Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2015	2016	2016
(ASSETS)			
Cash and deposits	663,427	528,337	4,688
Cash	217	196	1
Bank deposits	663,209	528,140	4,687
Call loans	355,300	116,900	1,037
Monetary claims bought	259,735	233,206	2,069
Money held in trust	36,122	52,806	468
Securities	30,673,366	30,250,119	268,460
Government bonds	14,531,309	14,545,593	129,087
Local government bonds	135,572	125,047	1,109
Corporate bonds	1,675,152	1,910,798	16,957
Stocks	4,007,030	3,560,485	31,598
Foreign securities	9,799,414	9,451,844	83,882
Other securities	524,887	656,349	5,824
Loans	3,029,295	2,826,052	25,080
Policy loans	428,555	405,056	3,594
Ordinary loans	2,600,740	2,420,995	21,485
Tangible fixed assets	1,203,289	1,164,183	10,331
Land	801,088	792,101	7,029
Buildings	394,089	363,038	3,221
Leased assets	4,658	4,491	39
Construction in progress	850	2,402	21
Other tangible fixed assets	2,602	2,149	19
Intangible fixed assets	83,719	81,603	724
Software	61,602	59,516	528
Other intangible fixed assets	22,116	22,086	196
Reinsurance receivable	7,916	4,434	39
Other assets	427,053	541,917	4,809
Accounts receivable	58,176	75,541	670
Prepaid expenses	13,009	12,019	106
Accrued revenue	156,983	155,664	1,381
Deposits	42,217	40,545	359
Margin money for futures trading	56,390	57,785	512
Differential account for futures trading	–	47	0
Derivatives	82,448	179,189	1,590
Suspense payment	6,172	9,536	84
Other assets	11,655	11,586	102
Customers' liabilities for acceptances and guarantees	91,648	97,056	861
Reserve for possible loan losses	(2,105)	(1,237)	(10)
Reserve for possible investment losses	–	(423)	(3)
Total assets	36,828,768	35,894,956	318,556

Non-Consolidated Balance Sheet (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2015	2016	2016
(LIABILITIES)			
Policy reserves and others	30,449,617	30,635,217	271,878
Reserves for outstanding claims	203,076	260,304	2,310
Policy reserves	29,840,974	29,984,210	266,100
Reserve for policyholder dividends	405,566	390,701	3,467
Reinsurance payable	609	684	6
Subordinated bonds	215,727	215,727	1,914
Other liabilities	1,496,483	1,095,099	9,718
Collateral for securities lending transactions	731,505	473,284	4,200
Long-term debt and other borrowings	325,198	286,277	2,540
Corporate income tax payable	52,296	28,307	251
Accounts payable	83,212	77,232	685
Accrued expenses	51,619	48,456	430
Unearned revenue	785	728	6
Deposits received	53,105	53,528	475
Guarantee deposits received	51,008	51,110	453
Differential account for futures trading	17	–	–
Derivatives	124,556	60,808	539
Lease liabilities	4,552	4,393	38
Asset retirement obligations	2,789	2,675	23
Suspense receipt	15,345	7,695	68
Other liabilities	490	601	5
Reserve for employees' retirement benefits	389,480	377,967	3,354
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,990	1,868	16
Reserve for possible reimbursement of prescribed claims	700	800	7
Reserves under the special laws	132,453	148,453	1,317
Reserve for price fluctuations	132,453	148,453	1,317
Deferred tax liabilities	413,815	138,696	1,230
Deferred tax liabilities for land revaluation	84,908	80,189	711
Acceptances and guarantees	91,648	97,056	861
Total liabilities	33,277,434	32,791,760	291,016
(NET ASSETS)			
Capital stock	343,104	343,146	3,045
Capital surplus	343,255	343,772	3,050
Legal capital surplus	343,104	343,146	3,045
Other capital surplus	151	625	5
Retained earnings	430,738	511,892	4,542
Legal retained earnings	5,600	5,600	49
Other retained earnings	425,138	506,292	4,493
Fund for risk allowance	43,120	43,120	382
Fund for price fluctuation allowance	65,000	65,000	576
Reserve for tax basis adjustments of real estate	24,875	25,517	226
Retained earnings brought forward	292,143	372,655	3,307
Treasury stock	(9,723)	(23,231)	(206)
Total shareholders' equity	1,107,375	1,175,581	10,432
Net unrealized gains (losses) on securities, net of tax	2,488,665	1,946,957	17,278
Deferred hedge gains (losses)	(12,036)	(3,865)	(34)
Reserve for land revaluation	(33,424)	(16,402)	(145)
Total of valuation and translation adjustments	2,443,204	1,926,688	17,098
Subscription rights to shares	753	925	8
Total net assets	3,551,333	3,103,195	27,539
Total liabilities and net assets	36,828,768	35,894,956	318,556

Non-Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2015	2016	2016
Ordinary revenues	4,798,467	4,265,779	37,857
Premium and other income	3,266,361	2,866,602	25,440
Premium income	3,265,798	2,865,384	25,429
Reinsurance income	563	1,218	10
Investment income	1,174,430	1,060,017	9,407
Interest and dividends	802,330	802,203	7,119
Interest from bank deposits	11,973	11,213	99
Interest and dividends from securities	645,467	647,317	5,744
Interest from loans	66,896	62,387	553
Rental income	68,030	69,545	617
Other interest and dividends	9,962	11,738	104
Gains on money held in trust	7,668	–	–
Gains on sale of securities	146,542	211,921	1,880
Gains on redemption of securities	23,906	44,645	396
Derivative transaction gains	9,411	–	–
Reversal of reserve for possible loan losses	468	838	7
Reversal of reserve for possible investment losses	214	–	–
Other investment income	623	409	3
Gains on investments in separate accounts	183,263	–	–
Other ordinary revenues	357,675	339,158	3,009
Fund receipt for annuity rider of group insurance	674	708	6
Fund receipt for claim deposit payment	323,932	301,478	2,675
Reversal of reserve for employees' retirement benefits	3,287	11,931	105
Other ordinary revenues	29,781	25,039	222
Ordinary expenses	4,389,702	3,921,556	34,802
Benefits and claims	2,718,186	2,681,396	23,796
Claims	749,138	709,000	6,292
Annuities	629,874	592,255	5,256
Benefits	412,439	381,741	3,387
Surrender values	532,807	584,186	5,184
Other refunds	392,652	412,606	3,661
Ceding reinsurance commissions	1,272	1,604	14
Provision for policy reserves and others	702,820	209,103	1,855
Provision for reserves for outstanding claims	52,367	57,227	507
Provision for policy reserves	641,704	143,236	1,271
Provision for interest on policyholder dividends	8,748	8,639	76
Investment expenses	131,253	273,985	2,431
Interest expenses	16,024	15,242	135
Losses on money held in trust	–	791	7
Losses on sale of securities	24,412	62,457	554
Losses on valuation of securities	469	873	7
Losses on redemption of securities	305	1,201	10
Derivative transaction losses	–	54,120	480
Foreign exchange losses	38,047	53,872	478
Provision for reserve for possible investment losses	–	423	3
Write-down of loans	43	59	0
Depreciation of real estate for rent and others	14,633	14,165	125
Other investment expenses	37,317	39,209	347
Losses on investments in separate accounts	–	31,568	280
Operating expenses	398,588	404,114	3,586
Other ordinary expenses	438,854	352,956	3,132
Claim deposit payments	365,251	281,561	2,498
National and local taxes	28,611	28,411	252
Depreciation	35,210	32,770	290
Other ordinary expenses	9,781	10,213	90
Ordinary profit	408,764	344,222	3,054

Non-Consolidated Statement of Earnings (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2015	2016	2016
Extraordinary gains.....	3,029	286	2
Gains on disposal of fixed assets	3,029	286	2
Extraordinary losses	27,252	52,274	463
Losses on disposal of fixed assets	5,279	1,307	11
Impairment losses on fixed assets.....	5,472	34,548	306
Provision for reserve for price fluctuations.....	16,000	16,000	141
Other extraordinary losses	501	418	3
Provision for reserve for policyholder dividends	112,200	97,500	865
Income before income taxes	272,341	194,734	1,728
Corporate income taxes-current	119,336	95,850	850
Corporate income taxes-deferred	808	(30,238)	(268)
Total of corporate income taxes.....	120,145	65,611	582
Net income for the year.....	152,196	129,123	1,145

Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 2015

(Unit: million yen)

Year ended March 31, 2015	Shareholders' equity					(Unit: million yen)
	Capital stock	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus		
Balance at the beginning of the year.....	210,224	210,224	37	210,262	5,600	
Cumulative effect of changes in accounting policies				-		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	210,224	210,224	37	210,262	5,600	
Changes for the year						
Issuance of new shares	132,842	132,842		132,842		
Issuance of new shares - exercise of subscription rights to shares.....	37	37		37		
Dividends				-		
Net income.....				-		
Purchase of treasury stock				-		
Disposal of treasury stock			113	113		
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....				-		
Transfer to reserve for tax basis adjustments of real estate				-		
Transfer from reserve for tax basis adjustments of real estate ..				-		
Transfer from reserve for land revaluation.....				-		
Net changes of items other than shareholders' equity						
Total changes for the year	132,879	132,879	113	132,993	-	
Balance at the end of the year	343,104	343,104	151	343,255	5,600	

(Unit: million yen)

(Unit: million yen)

	Shareholders' equity				
	Retained earnings				
	Other retained earnings				
	Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate	Retained earnings brought forward	Total retained earnings
Balance at the beginning of the year.....	43,120	65,000	23,534	150,031	287,286
Cumulative effect of changes in accounting policies				10,330	10,330
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	43,120	65,000	23,534	160,362	297,617
Changes for the year					
Issuance of new shares					-
Issuance of new shares - exercise of subscription rights to shares.....					-
Dividends				(19,846)	(19,846)
Net income.....				152,196	152,196
Purchase of treasury stock					-
Disposal of treasury stock					-
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....			670	(670)	-
Transfer to reserve for tax basis adjustments of real estate			796	(796)	-
Transfer from reserve for tax basis adjustments of real estate..			(125)	125	-
Transfer from reserve for land revaluation.....				771	771
Net changes of items other than shareholders' equity					
Total changes for the year	-	-	1,340	131,780	133,121
Balance at the end of the year	43,120	65,000	24,875	292,143	430,738

(Unit: million yen)

	Shareholders' equity		Valuation and translation adjustments	
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year.....	(11,500)	696,272	1,315,890	(2,586)
Cumulative effect of changes in accounting policies		10,330		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(11,500)	706,603	1,315,890	(2,586)
Changes for the year				
Issuance of new shares		265,684		
Issuance of new shares - exercise of subscription rights to shares.....		74		
Dividends		(19,846)		
Net income.....		152,196		
Purchase of treasury stock		-		
Disposal of treasury stock	1,776	1,890		
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....		-		
Transfer to reserve for tax basis adjustments of real estate		-		
Transfer from reserve for tax basis adjustments of real estate ..		-		
Transfer from reserve for land revaluation.....		771		
Net changes of items other than shareholders' equity			1,172,775	(9,450)
Total changes for the year	1,776	400,771	1,172,775	(9,450)
Balance at the end of the year	(9,723)	1,107,375	2,488,665	(12,036)

Non-Consolidated Statement of Changes in Net Assets (Continued)

(Unit: million yen)				
	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Reserve for land revaluation	Total of valuation and translation adjustments		
Balance at the beginning of the year.....	(38,320)	1,274,983	583	1,971,839
Cumulative effect of changes in accounting policies.....				10,330
Balance at the beginning of the year after reflecting the effect of changes in accounting policies.....	(38,320)	1,274,983	583	1,982,170
Changes for the year				
Issuance of new shares				265,684
Issuance of new shares - exercise of subscription rights to shares.....				74
Dividends.....				(19,846)
Net income.....				152,196
Purchase of treasury stock				-
Disposal of treasury stock				1,890
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....				-
Transfer to reserve for tax basis adjustments of real estate				-
Transfer from reserve for tax basis adjustments of real estate				-
Transfer from reserve for land revaluation.....				771
Net changes of items other than shareholders' equity	4,896	1,168,221	170	1,168,391
Total changes for the year	4,896	1,168,221	170	1,569,163
Balance at the end of the year	(33,424)	2,443,204	753	3,551,333

Year ended March 31, 2016

(Unit: million yen)					
	Shareholders' equity				Retained earnings
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at the beginning of the year.....	343,104	343,104	151	343,255	5,600
Cumulative effect of changes in accounting policies				-	
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,104	343,104	151	343,255	5,600
Changes for the year					
Issuance of new shares				-	
Issuance of new shares - exercise of subscription rights to shares.....	42	42		42	
Dividends.....				-	
Net income.....				-	
Purchase of treasury stock				-	
Disposal of treasury stock			474	474	
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....				-	
Transfer to reserve for tax basis adjustments of real estate				-	
Transfer from reserve for tax basis adjustments of real estate ..				-	
Transfer from reserve for land revaluation.....				-	
Net changes of items other than shareholders' equity					
Total changes for the year	42	42	474	517	-
Balance at the end of the year	343,146	343,146	625	343,772	5,600

(Unit: million yen)					
	Shareholders' equity				Retained earnings
	Retained earnings			Total retained earnings	
	Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate		
Balance at the beginning of the year.....	43,120	65,000	24,875	292,143	430,738
Cumulative effect of changes in accounting policies.....					-
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	43,120	65,000	24,875	292,143	430,738
Changes for the year					
Issuance of new shares					-
Issuance of new shares - exercise of subscription rights to shares.....					-
Dividends.....				(33,359)	(33,359)
Net income.....				129,123	129,123
Purchase of treasury stock					-
Disposal of treasury stock					-
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....			297	(297)	-
Transfer to reserve for tax basis adjustments of real estate			470	(470)	-
Transfer from reserve for tax basis adjustments of real estate ..			(126)	126	-
Transfer from reserve for land revaluation.....				(14,609)	(14,609)
Net changes of items other than shareholders' equity					
Total changes for the year	-	-	641	80,512	81,153
Balance at the end of the year	43,120	65,000	25,517	372,655	511,892

Non-Consolidated Statement of Changes in Net Assets (Continued)

	(Unit: million yen)			
	Shareholders' equity		Valuation and translation adjustments	
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year.....	(9,723)	1,107,375	2,488,665	(12,036)
Cumulative effect of changes in accounting policies		-		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(9,723)	1,107,375	2,488,665	(12,036)
Changes for the year				
Issuance of new shares		-		
Issuance of new shares - exercise of subscription rights to shares.....		84		
Dividends		(33,359)		
Net income.....		129,123		
Purchase of treasury stock	(15,000)	(15,000)		
Disposal of treasury stock	1,492	1,967		
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....		-		
Transfer to reserve for tax basis adjustments of real estate		-		
Transfer from reserve for tax basis adjustments of real estate ..		-		
Transfer from reserve for land revaluation.....		(14,609)		
Net changes of items other than shareholders' equity			(541,708)	8,170
Total changes for the year	(13,507)	68,206	(541,708)	8,170
Balance at the end of the year	(23,231)	1,175,581	1,946,957	(3,865)

	(Unit: million yen)			
	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Reserve for land revaluation	Total of valuation and translation adjustments		
Balance at the beginning of the year.....	(33,424)	2,443,204	753	3,551,333
Cumulative effect of changes in accounting policies				-
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(33,424)	2,443,204	753	3,551,333
Changes for the year				
Issuance of new shares				-
Issuance of new shares - exercise of subscription rights to shares.....				84
Dividends				(33,359)
Net income.....				129,123
Purchase of treasury stock				(15,000)
Disposal of treasury stock				1,967
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....				-
Transfer to reserve for tax basis adjustments of real estate				-
Transfer from reserve for tax basis adjustments of real estate ..				-
Transfer from reserve for land revaluation.....				(14,609)
Net changes of items other than shareholders' equity	17,021	(516,516)	171	(516,344)
Total changes for the year	17,021	(516,516)	171	(448,138)
Balance at the end of the year	(16,402)	1,926,688	925	3,103,195

	(Unit: million US dollars)				
	Shareholders' equity				Retained earnings
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	
Balance at the beginning of the year.....	3,044	3,044	1	3,046	49
Cumulative effect of changes in accounting policies				-	
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	3,044	3,044	1	3,046	49
Changes for the year					
Issuance of new shares					-
Issuance of new shares - exercise of subscription rights to shares.....	0	0		0	
Dividends					-
Net income.....					-
Purchase of treasury stock					-
Disposal of treasury stock			4	4	
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....					-
Transfer to reserve for tax basis adjustments of real estate					-
Transfer from reserve for tax basis adjustments of real estate ..					-
Transfer from reserve for land revaluation.....					-
Net changes of items other than shareholders' equity					-
Total changes for the year	0	0	4	4	-
Balance at the end of the year	3,045	3,045	5	3,050	49

Non-Consolidated Statement of Changes in Net Assets (Continued)

(Unit: million US dollars)					
Shareholders' equity					
Retained earnings					
Other retained earnings					
	Fund for risk allowance	Fund for price fluctuation allowance	Reserve for tax basis adjustments of real estate	Retained earnings brought forward	Total retained earnings
Balance at the beginning of the year.....	382	576	220	2,592	3,822
Cumulative effect of changes in accounting policies.....					-
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	382	576	220	2,592	3,822
Changes for the year					
Issuance of new shares					-
Issuance of new shares - exercise of subscription rights to shares.....					-
Dividends				(296)	(296)
Net income.....				1,145	1,145
Purchase of treasury stock					-
Disposal of treasury stock					-
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....			2	(2)	-
Transfer to reserve for tax basis adjustments of real estate			4	(4)	-
Transfer from reserve for tax basis adjustments of real estate ..			(1)	1	-
Transfer from reserve for land revaluation.....				(129)	(129)
Net changes of items other than shareholders' equity					
Total changes for the year.....	-	-	5	714	720
Balance at the end of the year	382	576	226	3,307	4,542

(Unit: million US dollars)				
Shareholders' equity		Valuation and translation adjustments		
Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax		
		Deferred hedge gains (losses)		
Balance at the beginning of the year.....	(86)	9,827	22,086	(106)
Cumulative effect of changes in accounting policies.....		-		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(86)	9,827	22,086	(106)
Changes for the year				
Issuance of new shares		-		
Issuance of new shares - exercise of subscription rights to shares.....		0		
Dividends		(296)		
Net income.....		1,145		
Purchase of treasury stock	(133)	(133)		
Disposal of treasury stock	13	17		
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....		-		
Transfer to reserve for tax basis adjustments of real estate		-		
Transfer from reserve for tax basis adjustments of real estate ..		-		
Transfer from reserve for land revaluation.....		(129)		
Net changes of items other than shareholders' equity			(4,807)	72
Total changes for the year	(119)	605	(4,807)	72
Balance at the end of the year	(206)	10,432	17,278	(34)

(Unit: million US dollars)				
Valuation and translation adjustments		Subscription rights to shares	Total net assets	
Reserve for land revaluation	Total of valuation and translation adjustments			
Balance at the beginning of the year.....	(296)	21,682	6	31,516
Cumulative effect of changes in accounting policies.....				-
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(296)	21,682	6	31,516
Changes for the year				
Issuance of new shares				-
Issuance of new shares - exercise of subscription rights to shares.....				0
Dividends				(296)
Net income.....				1,145
Purchase of treasury stock				(133)
Disposal of treasury stock				17
Increase in reserve for tax basis adjustments of real estate resulting from changes in tax rate.....				-
Transfer to reserve for tax basis adjustments of real estate				-
Transfer from reserve for tax basis adjustments of real estate ..				-
Transfer from reserve for land revaluation.....				(129)
Net changes of items other than shareholders' equity	151	(4,583)	1	(4,582)
Total changes for the year	151	(4,583)	1	(3,977)
Balance at the end of the year	(145)	17,098	8	27,539

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2016

I. BASIS FOR PRESENTATION

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by The Dai-ichi Life Insurance Company, Limited ("DL", or the "Company") in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with Japanese GAAP which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the non-consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the non-consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥112.68=US\$1.00, the foreign exchange rate on March 31, 2016, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Valuation Methods of Securities

Securities held by DL including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by JICPA)

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Subsidiaries and Affiliated Companies

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

a) Available-for-sale Securities with Market Value

Available-for-sale securities which have market value are valued at fair value (for domestic stocks, the average fair value during March), with cost determined by the moving average method.

b) Available-for-sale Securities Whose Market Values Are Extremely Difficult to Recognize

i) Government/Corporate Bonds

Government/Corporate Bonds (including foreign bonds), whose premium or discount represents interest adjustment, are valued at the amortized cost determined by the moving average method.

ii) Others

All others are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statement of earnings.

2. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

3. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method (the depreciation of buildings other than attached improvements and structures is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Tangible fixed assets other than land, buildings that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

DL uses the straight-line method for amortization of intangible fixed assets excluding leased assets. Software for internal use is amortized by the straight-line method based on the estimated useful lives of five years.

(3) Depreciation of Leased Assets

Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value.

4. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

DL translated foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates at the end of the year. Stocks of subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.

5. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereinafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereinafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to repay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in DL performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans to and claims on bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the fiscal year ended March 31, 2015 and 2016 were ¥59 million and ¥58 million (US\$0 million), respectively.

6. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Parent Company is established for securities whose market values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

7. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount is provided based on the projected benefit obligations and pension assets as of March 31, 2016.

Accounting treatment of retirement benefit obligations and retirement benefit expenses are as follows.

(1) Allocation of Estimated Retirement Benefits

Estimated retirement benefits are allocated under the benefit formula basis over the period ended March 31, 2016.

(2) Amortization of Actuarial Differences

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period, starting from the following year.

8. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors of DL, (1) an estimated amount for future payment out of the total amount of benefits for past service approved by the 105th general meeting of representative policyholders of DL and (2) an estimated amount for future corporate-pension payments to directors, executive officers, and corporate auditors who retired before the 105th general meeting of representative policyholders of DL are provided.

9. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, DL provided for reserve for possible reimbursement of prescribed claims an estimated amount based on past reimbursement experience.

10. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

11. Methods for Hedge Accounting

(1) Methods for Hedge Accounting

Hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” (ASBJ Statement No. 10, issued on March 10, 2008). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for bond over-the-counter options is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; and (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable
Foreign currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transaction)
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated stocks (forecasted transaction)
Equity forward contracts	Domestic stocks

(3) Hedging Policies

DL conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

12. Other Basic Accounting Policies for Preparing Financial Statements

(1) Accounting Treatment of Retirement Benefits

The accounting treatment of unrecognized actuarial differences related to the retirement benefits for the non-consolidated financial statements is different from that for the consolidated financial statements.

(2) Calculation of National and Local Consumption Tax

DL accounts for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Order for Enforcement of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

(3) Policy Reserves

Policy reserves of DL are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:

- (a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of the Financial Services Agency (Notification of the Minister of Finance No.48, 1996).
- (b) Reserves for other policies are established based on the net level premium method.

(Additional information)

Effective the fiscal year ended March 31, 2008, for whole life insurance contracts acquired on or before March 31, 1996 for which premium payments were already completed (including lump-sum payments), additional policy reserves are provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulation, of the Insurance Business Act and will be provided over the following nine years. As a result, the amounts of the additional provision for policy reserves for the fiscal years ended March 31, 2015 and 2016 were ¥122,957 million and ¥142,163 million (US\$1,261 million), respectively.

(Additional Information)

Disclosure of transactions by granting DL's stocks to its employees using trust schemes ("the Stock Granting Trust (J-ESOP)" and "the Company's Trust-type Employee Shareholding Incentive Plan (E-Ship®)") was omitted as it was described in 3. Summary of Significant Accounting Policies on a consolidated basis.

III. NOTES TO NON-CONSOLIDATED BALANCE SHEET

1. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities, cash and deposits pledged as collateral were as follows.

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Securities (Government bonds).....	704,686	393,315	3,490
Securities (Foreign securities)	4,885	4,606	40
Deposits	86	86	0
Total	709,658	398,008	3,532

The amounts of secured liabilities were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Cash collateral for securities lending transactions.....	731,505	473,284	4,200
Loans payable	0	-	-
Total	731,506	473,284	4,200

“Securities (Government bonds)” includes securities pledged as collateral for securities lending transactions with cash collateral whose amount as of March 31, 2015 and 2016 is ¥650,112 million and ¥381,453 million (US\$3,385 million), respectively.

2. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balances of securities lent as of March 31, 2015 and 2016 were ¥1,888,894 million and ¥2,230,552 million (US\$19,795 million), respectively.

3. Policy-reserve-matching Bonds

(1) Book Value and Market Value

The book value and the market value of policy-reserve-matching bonds as of March 31, 2015 and 2016 were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Book value.....	11,996,350	12,027,685	106,741
Market value.....	13,835,074	15,449,932	137,113

(2) Risk Management Policy

DL categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, DL periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products are:

- a) individual life insurance and annuities,
- b) non-participating single premium whole life insurance (without duty of medical disclosure),
- c) financial insurance and annuities, and
- d) group annuities,
with the exception of certain types.

4. Stocks of Subsidiaries and Affiliated Companies

The amounts of stocks of subsidiaries and affiliated companies DL held as of March 31, 2015 and 2016 were ¥1,068,255 million and ¥1,127,381 million (US\$10,005 million), respectively.

5. Problem Loans

The amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers	109	93	0
Delinquent loans.....	3,525	3,005	26
Loans past due for three months or more.....	—	—	—
Restructured loans	434	415	3
Total	4,068	3,513	31

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 or 4 of the Enforcement Ordinance of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans, decreases in credits to bankrupt borrowers and delinquent loans were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers	4	2	0
Delinquent loans.....	54	56	0

6. Commitment Line

As of March 31, 2015 and 2016, there were unused commitment line agreements under which DL is the lender of ¥31,390 million and ¥32,391 million (US\$287 million), respectively.

7. Receivables from and Payables to Subsidiaries and Affiliated Companies

The total amounts of receivables from and payables to subsidiaries and affiliated companies were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Receivables	110,566	27,653	245
Payables.....	4,807	4,599	40

8. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2015 and 2016 were ¥1,259,458 million and ¥1,042,803 million (US\$9,254 million), respectively. Separate account liabilities were the same amount as the separate account assets.

9. Reinsurance

As of March 31, 2015 and 2016, reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter “reserves for outstanding claims reinsured”) were ¥18 million and ¥4 million (US\$0 million), respectively.

As of March 31, 2015 and 2016, the amounts of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter “policy reserves reinsured”) were ¥0 million and ¥0 million (US\$0 million), respectively.

10. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year.....	394,022	405,566	3,599
Dividend payment during the year	(109,404)	(121,003)	(1,073)
Interest accrual.....	8,748	8,639	76
Provision for reserve for policyholder dividends	112,200	97,500	865
Balance at the end of the year	405,566	390,701	3,467

11. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of DL to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2015 and 2016 were ¥52,414 million and ¥52,002 million (US\$461 million), respectively. These obligations will be recognized as operating expenses in the period in which they are paid.

12. Subordinated Bonds

As of March 31, 2015 and 2016, subordinated bonds recorded in liabilities included foreign currency-denominated subordinated bonds for the amount of ¥215,727 million and ¥215,727 million (US\$1,914 million), respectively, the repayment of which is subordinated to other obligations.

13. Subordinated Debt

As of March 31, 2015 and 2016, other liabilities included subordinated debt of ¥320,000 million and ¥283,000 million (US\$2,511 million), respectively, the repayment of which is subordinated to other obligations.

14. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2015 and 2016, the market value of the securities which were not sold or pledged as collateral was ¥74,082 million and ¥226,969 million (US\$2,014 million), respectively. None of the securities were pledged as collateral as of March 31, 2015 and 2016, respectively.

15. Organizational Change Surplus

As of March 31, 2015 and 2016, the amounts of DL's organization change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$1,045 million), respectively.

IV. NOTES TO THE NON-CONSOLIDATED STATEMENT OF EARNINGS

1. Revenues and Expenses from Transactions with Subsidiaries and Affiliated Companies

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies for the fiscal years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Revenues.....	11,880	23,361	207
Expenses.....	23,780	21,856	193

2. Gains on Sale of Securities

The breakdowns of gains on sale of securities for the fiscal years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Domestic bonds	17,198	6,598	58
Domestic stocks.....	43,460	38,011	337
Foreign securities	84,268	166,611	1,478
Other securities	1,615	698	6

3. Losses on Sale of Securities

The breakdowns of losses on sale of securities for the fiscal years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Domestic bonds	2,294	464	4
Domestic stocks	4,744	5,017	44
Foreign securities	16,978	54,989	488
Other securities	393	1,987	17

4. Losses on Valuation of Securities

The breakdowns of losses on valuation of securities for the fiscal years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Domestic stocks	153	178	1
Foreign securities	315	695	6

5. Gains/Losses on Money Held in Trust

Gains (losses) on money held in trust included gains on valuation of securities of ¥3,962 million for the fiscal year ended March 31, 2015 and losses on valuation of securities of ¥4,459 million (US\$39 million) for the fiscal year ended March 31, 2016.

6. Derivative Transaction Gains/Losses

Derivative transaction gains (losses) included valuation gains of ¥20,781 million for the fiscal year ended March 31, 2015 and valuation losses of ¥22,643 million (US\$200 million) for the fiscal year ended March 31, 2016.

7. Reinsurance

For the fiscal year ended March 31, 2015, in calculating the provision for reserves for outstanding claims, a provision for reserves for outstanding claims reinsured of ¥14 million was deducted. In calculating the provision for policy reserves, a reversal of reserves for policy reserves reinsured of ¥0 million was added.

For the fiscal year ended March 31, 2016, in calculating the provision for reserves for outstanding claims, a reversal of reserves for outstanding claims reinsured of ¥13 million (US\$0 million) was added. In calculating the provision for policy reserves, a provision for reserves for policy reserves reinsured of ¥0 million (US\$0 million) was deducted.

8. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Land	2,477	168	1
Buildings	551	103	0
Other tangible fixed assets	0	–	–
Other intangible fixed assets	–	14	0
Total	3,029	286	2

9. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2015 and 2016 were as follows:

	Year ended March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Land	1,249	784	6
Buildings.....	2,909	205	1
Leased assets	41	2	0
Other tangible fixed assets.....	158	138	1
Software	142	60	0
Other intangible fixed assets.....	248	–	–
Deposits	130	–	–
Other assets	398	115	1
Total	5,279	1,307	11

V. SECURITIES

1. Stocks of DL's subsidiaries and affiliated companies with market value

As of March 31, 2015			
	Carrying amount	Market value	Unrealized gains (losses)
	(Unit: million yen)		
Stocks of subsidiaries	137	137	–
Stocks of affiliated companies	26,495	76,800	50,304
Total	26,633	76,937	50,304

As of March 31, 2016						
	Carrying amount	Market value	Unrealized gains (losses)	Carrying amount	Market value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Stocks of subsidiaries	131	119	(11)	1	1	(0)
Stocks of affiliated companies	26,578	61,533	34,955	235	546	310
Total	26,709	61,653	34,943	237	547	310

Note: The tables above do not include stocks of DL's subsidiaries and affiliated companies whose fair value is extremely difficult to recognize. Carrying amounts of such stocks were as follows:

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Stocks of subsidiaries	987,162	1,046,291	9,285
Stocks of affiliated companies	54,459	54,380	482

VI. DEFERRED TAX ACCOUNTING

1. Major components of deferred tax assets and liabilities

	As of March 31,		
	2015	2016	2016
	(Unit: million yen)		(Unit: million US dollars)
Deferred tax assets:			
Policy reserves and others	414,363	434,946	3,860
Reserve for employees' retirement benefits	136,784	129,729	1,151
Reserve for price fluctuations	38,093	41,484	368
Impairment losses	9,413	17,178	152
Losses on valuation of securities	12,757	13,219	117
Others	29,729	29,997	266
Subtotal	641,142	666,556	5,915
Valuation allowances	(27,169)	(27,575)	(244)
Total	613,972	638,981	5,670
Deferred tax liabilities:			
Net unrealized gains on securities, net of tax	(992,759)	(744,651)	(6,608)
Reserve for tax basis adjustments of real estate	(10,042)	(9,884)	(87)
Accrued dividend receivables	(7,641)	(7,470)	(66)
Others	(17,345)	(15,671)	(139)
Total	(1,027,788)	(777,677)	(6,901)
Net deferred tax assets (liabilities)	(413,815)	(138,696)	(1,230)

2. The principal reasons for the difference between the statutory effective tax rate and actual effective tax rate after considering deferred taxes were as follows:

	As of March 31,	
	2015	2016
Statutory effective tax rate	30.68%	28.76%
(Adjustments)		
Decrease in deferred tax assets in relation to changes in tax rates	14.37%	9.02%
Transfer from reserve for land revaluation	(0.10%)	(3.48%)
Others	(0.83%)	(0.61%)
Actual effective tax rate after considering deferred taxes	44.12%	33.69%

3. Adjustment of deferred tax assets and liabilities due to changes in effective statutory tax rate

Pursuant to the enactment of the "Act on the Partial Revision of the Income Tax Act, etc." and "Act for Partial Amendment of the Local Tax Act, etc." in the Diet on March 29, 2016, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities has been changed from 28.76% to 28.16% for the fiscal year beginning on April 1, 2016 or later, and to 27.92% for the fiscal year beginning on April 1, 2018 or later.

As a result, its deferred tax liabilities decreased by ¥5,083 million (US\$ 45 million) and corporate income taxes-deferred increased by ¥17,568 million (US\$ 155 million).

VII. SUBSEQUENT EVENTS

- The Company intends to shift to a holding company structure (the "Transition"). In connection with the Transition, the Company resolved at its Board of Directors meeting held on April 8, 2016 that its domestic life insurance business will be succeeded by The Dai-ichi Life Split Preparation Company, Limited, a wholly-owned subsidiary of the Company that was incorporated on April 1, 2016 (the "Successor"). Accordingly, the Company concluded a definitive agreement with the Successor with respect to an absorption-type corporate split (the "Agreement") which is expected to become effective on October 1, 2016.

Although the 6th annual general meeting of shareholders held on June 24, 2016 resolved the proposal related to the Agreement and necessary amendments to the Articles of Incorporation of the Company, the Agreement shall become effective subject to the approvals of regulatory authorities.

With effect from October 1, 2016, the Company will become a holding company with a new trade name, "Dai-ichi Life Holdings, Inc.", and a new corporate purpose of managing the group's operating companies.

<Overview of the Parties to the Agreement>

	The Company (As of March 31, 2016)	The Successor (As of April 1, 2016)
(1) Trade name	The Dai-ichi Life Insurance Company, Limited ¹	The Dai-ichi Life Split Preparation Company, Limited ²
(2) Address	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Representative	Koichiro Watanabe, President and Representative Director	Yuji Kawazoe, Representative Director
(4) Business	Life insurance business	Preparation for undertaking life insurance business, etc.
(5) Capital stock	343,146 million yen (US\$3,045 million)	100 million yen (US\$0 million)
(6) Date of incorporation	September 15, 1902	April 1, 2016
(7) Number of shares issued	1,198,023,000	10
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders ³	Japan Trustee Services Bank, Ltd. (Trust Account): 5.14% BNY GCM Client Account JPRD AC ISG (FE-AC): 4.02% Mizuho Bank, Ltd.: 3.77% The Master Trust Bank of Japan, Ltd. (Trust Account): 3.60% GOLDMAN SACHS INTERNATIONAL: 2.64%	The Dai-ichi Life Insurance Company, Limited: 100%
(10) Consolidated results of operations and financial position		
	Fiscal Year ended March 31, 2016	
Net assets	2,932,959 million yen (US\$26,029 million)	
Total assets	49,924,922 million yen (US\$443,068 million)	
Net assets per share	2,472.86 yen (US\$21.94)	
Ordinary revenues	7,333,947 million yen (US\$65,086 million)	
Ordinary profit	418,166 million yen (US\$3,711 million)	
Net income attributable to shareholders of Dai-ichi Life	178,515 million yen (US\$1,584 million)	
Net income per share	150.53 yen (US\$1.33)	

*1. The trade name will be changed to "Dai-ichi Life Holdings, Inc." as of October 1, 2016.

*2. The trade name will be changed to "The Dai-ichi Life Insurance Company, Limited" as of October 1, 2016.

*3. The percentage of shares outstanding are calculated by excluding the treasury stock (6,878 thousand shares).

2. The board of directors of the Company resolved at its meeting held on May 13, 2016 to repurchase the Company's own shares under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the Act, as follows.

(1) Reason for the Repurchase of the Company's own shares

To enhance shareholder return through the implementation of a flexible capital policy and the improvement of capital efficiency.

(2) Details of the Repurchase

- a) Class of shares to be repurchased
Shares of common stock
- b) Aggregate number of shares to be repurchased
Up to 16,000,000 shares
- c) Aggregate price of shares to be repurchased
Up to 16,000 million yen (US\$141 million)
- d) Period of repurchase of shares
From May 16, 2016 to June 21, 2016
- e) Method of repurchase of shares
Open-market repurchase by the trust method

(3) Conclusion of the Repurchase

- a) Aggregate number of shares repurchased
11,695,500 shares
- b) Aggregate repurchase price of the shares
15,999 million yen (US\$141 million)
- c) Period in which repurchases were made
From May 16, 2016 to June 9, 2016

VIII. SUPPLEMENTAL TABLES

1. Details of Operating Expenses for the Fiscal Year ended March 31, 2016

	Year Ended March 31, 2016	
	(Unit: million yen)	(Unit: million US dollars)
Sales activity expenses	162,475	1,441
Related to sales representatives	158,920	1,410
Related to sales agencies	2,763	24
Related to selection of policyholders	791	7
Sales management expenses	68,046	603
Related to management of sales representatives	63,634	564
Related to advertisement	4,412	39
General management expenses	173,593	1,540
Personal expenses	83,908	744
Property expenses	85,964	762
Donation, co-sponsoring and membership fees	1,128	10
Obligation expenses	3,720	33
Total	404,114	3,586

Note: 1. Property expenses listed in the above table include expenses associated with (1) receiving premium payments from policyholders, (2) information systems and (3) maintaining office.

2. Obligation expenses represent obligations to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act.

2. Details of Tangible Fixed Assets for the Fiscal Year ended March 31, 2016

	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation at the end of period	Depreciation for the period	Ending balance (net)
	(Unit: million yen)						
Tangible fixed assets							
Land	801,088	6,394	15,381	792,101	—	—	792,101
	(51,484)	(12,302)		(63,786)			
			[13,780]				
Buildings	1,025,903	11,416	26,415	1,010,905	647,866	20,902	363,038
			[20,757]				
Leased assets	9,217	1,523	958	9,782	5,290	1,688	4,491
Construction in progress	850	19,363	17,811	2,402	—	—	2,402
Other tangible fixed assets	14,427	974	3,998	11,402	9,253	1,039	2,149
Total	1,851,487	39,672	64,565	1,826,594	662,411	23,629	1,164,183
			[34,538]				
Intangible fixed assets							
Software	—	—	—	110,734	51,217	21,575	59,516
Other intangible fixed assets	—	—	—	22,103	17	3	22,086
Total	—	—	—	132,837	51,234	21,578	81,603
Long-term prepaid expenses	—	—	—	—	—	—	—
Deferred assets							
Stock delivery expenses	1,509	—	—	1,509	838	503	670
Bond issuance expenses	1,356	—	—	1,356	203	135	1,152
Total	2,865	—	—	2,865	1,042	638	1,823

	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation at the end of period	Depreciation for the period	Ending balance (net)
(Unit: million US dollars)							
Tangible fixed assets							
Land	7,109 (456)	56 (109)	136	7,029 (566)	–	–	7,029
Buildings.....	9,104	101	[122] 234	8,971	5,749	185	3,221
Leased assets	81	13	[184] 8	86	46	14	39
Construction in progress	7	171	158	21	–	–	21
Other tangible fixed assets.....	128	8	35	101	82	9	19
Total	16,431	352	572	16,210	5,878	209	10,331
[306]							
Intangible fixed assets							
Software	–	–	–	982	454	191	528
Other intangible fixed assets...	–	–	–	196	0	0	196
Total	–	–	–	1,178	454	191	724
Long-term prepaid expenses	–	–	–	–	–	–	–
Deferred assets							
Stock delivery expenses	13	–	–	13	7	4	5
Bond issuance expenses	12	–	–	12	1	1	10
Total	25	–	–	25	9	5	16

Note: 1. Figures in () in the columns of 'Beginning balance', 'Decrease', and 'Ending balance' represent differences with book value before revaluation based on the "Law for Revaluation of Land" (Publicly Issued Law 34, March 31, 1998).
2. Figures in [] represent amounts of impairment losses.
3. Some figures associated with intangible fixed assets are omitted as intangible fixed assets account for less than 1% of DL's total assets.

3. Details of Reserves for the Fiscal Year ended March 31, 2016

	Beginning balance	Increase	Amount used for original purposes	Decrease for other reasons	Ending balance
(Unit: million yen)					
Reserve for possible loan losses	2,105	1,237	28	2,076	1,237
General reserves.....	1,146	487	–	1,146	487
Specific reserves	959	749	28	930	749
Reserve for possible investment losses	–	423	–	–	423
Reserve for retirement benefits of directors, executive officers and corporate auditors.....	1,990	64	186	–	1,868
Reserve for possible reimbursement of prescribed claims	700	365	265	–	800
Reserve for price fluctuations.....	132,453	16,000	–	–	148,453

	Beginning balance	Increase	Amount used for original purposes	Decrease for other reasons	Ending balance
(Unit: million US dollars)					
Reserve for possible loan losses	18	10	0	18	10
General reserves.....	10	4	–	10	4
Specific reserves	8	6	0	8	6
Reserve for possible investment losses	–	3	–	–	3
Reserve for retirement benefits of directors, executive officers and corporate auditors.....	17	0	1	–	16
Reserve for possible reimbursement of prescribed claims	6	3	2	–	7
Reserve for price fluctuations.....	1,175	141	–	–	1,317

Note: 1. Decrease of reserve for possible loan losses (general reserve) for other reasons represents reversing the credited reserve amount in full to renew the reserve.
2. Decrease of reserve for possible loan losses (specific reserve) for other reasons represents reversing the credited reserve amount in full to renew the reserve.



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho, Chiyoda-ku
Tokyo, Japan 100-0011

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197
www.shinnihon.or.jp

Independent Auditor's Report

The Board of Directors
The Dai-ichi Life Insurance Company, Limited

We have audited the accompanying non-consolidated financial statements of The Dai-ichi Life Insurance Company, Limited, which comprise the non-consolidated balance sheet as of March 31, 2016, and the non-consolidated statements of earnings, changes in net assets for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-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 non-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 non-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 non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. The purpose of an audit of the non-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 non-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 non-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 non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of The Dai-ichi Life Insurance Company, Limited as of March 31, 2016, and its non-consolidated financial performance for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of its non-consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying non-consolidated financial statements have been properly translated on the basis described in Note I.

Ernst & Young ShinNihon LLC

June 24, 2016

Editorial Policy

The Dai-ichi Life Group publishes the “Dai-ichi Life Annual Report (integrated with Dai-ichi Life DSR Report),” which compiles information on “the status of the business and property” as stipulated in Article 111 of the Insurance Business Act and information on efforts of Dai-ichi Life to fulfill its social responsibilities in a simple booklet, by reference to the International Integrated Reporting Council (IIRC) framework. We would be delighted if this report helped our stakeholders better understand the Dai-

ichi Life Group, including its management challenges and strategies for future growth, as well as its efforts to that end.

Information that supplements the contents covered is published on Dai-ichi Life’s website (<http://www.dai-ichi-life.co.jp/>). We invite our stakeholders to read the site in conjunction with this report. This Annual Report (English version) is a translation of the Japanese version.

Coverage of this report

Period covered

April 1, 2015 to March 31, 2016 (including some activities on and after April 1, 2016)

Organizations covered

The Dai-ichi Life Insurance Company, Limited and its subsidiaries and affiliates

Date of Issue

Published in September every year.

Dai-ichi Life Website

<http://www.dai-ichi-life.co.jp/>



Top screen of our website

2016 Dai-ichi Life Annual Report

The Dai-ichi Life Insurance Company, Limited

(Prepared in September 2016)

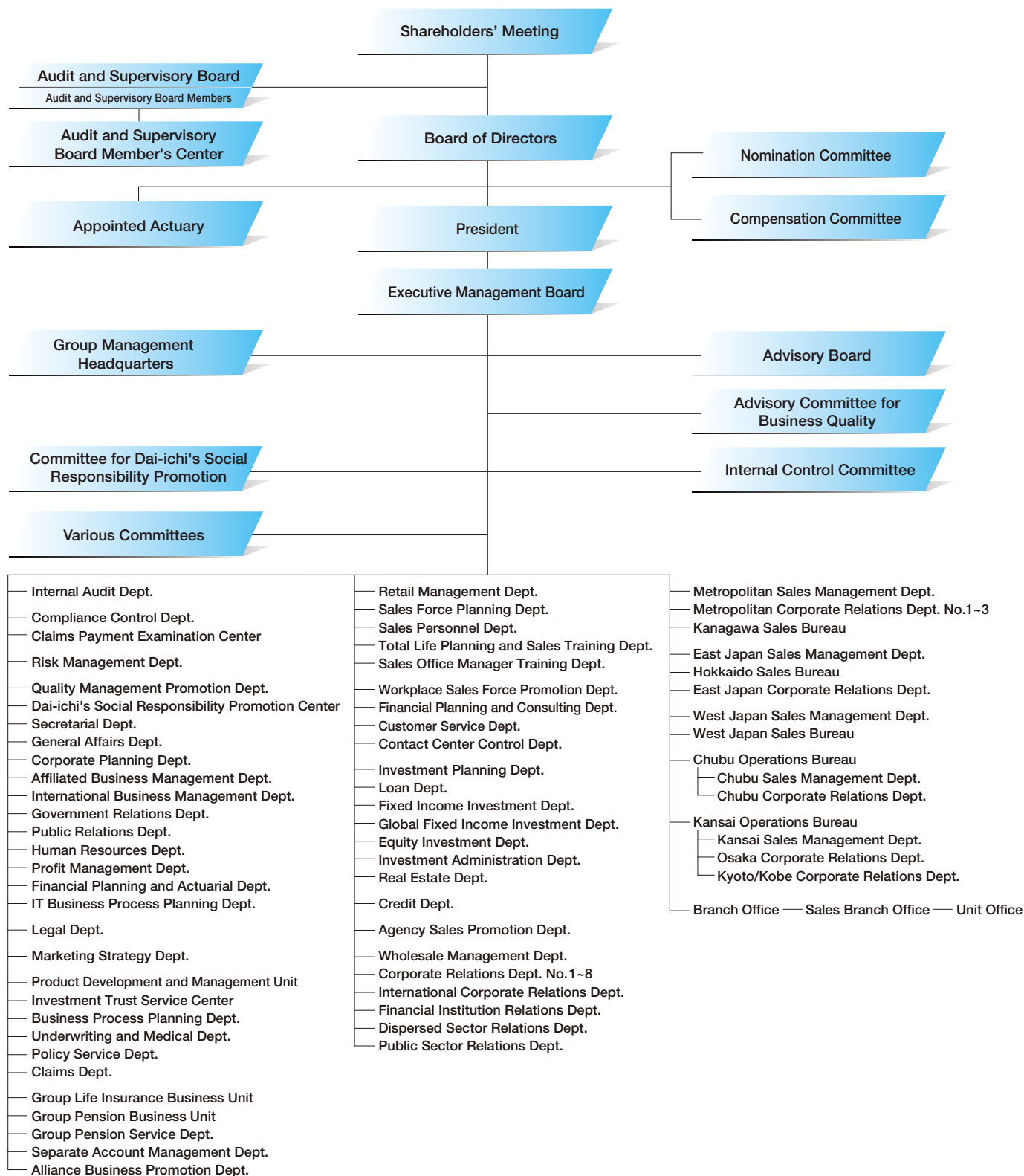
13-1 Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan

Phone: +81-3-3216-1211 <http://www.dai-ichi-life.co.jp/>

Organization Chart

(As of April 1, 2016)

Operations Bureaus	2
Dept./Sales Bureaus	73
Centers	4
Branch Offices	84
Sales Branch Offices	9



Overseas Network

NORTH AMERICA

Protective Life Corporation

CEO: John D. Johns
Address: 2801 Highway 280 South, Birmingham, Alabama 35223, USA
Tel: 1-205-268-1000
Home Page: <http://www.protective.com/>

Janus Capital Group Inc.

CEO: Richard M. Weil
Address: 151 Detroit Street, Denver, Colorado 80206, USA
Tel: 1-303-333-3863
Home Page: <https://www.janus.com/>

DLI NORTH AMERICA INC.

CEO: Shinichi Aizawa
Address: 400 Park Avenue, 4th Floor, New York, NY, 10022 USA
Tel: 1-212-350-7600
Fax: 1-212-354-1866

ASIA-PACIFIC

TAL <TAL Dai-ichi Life Australia Pty Ltd>

Group CEO&MD: Brett Clark
Address: Level 16, 363 George Street, Sydney, NSW 2000, Australia
Tel: 61-2-9448-9000
Fax: 61-2-9448-9100
Home Page: <http://www.tal.com.au/>

Dai-ichi Life Insurance Company of Vietnam, Limited

General Director: Tran Dinh Quan
Address: 149-151 Nguyen Van Troi Street, Ward 11, District Phu Nhuan, Ho Chi Minh City, Vietnam
Tel: 84-8-3810-0888
Fax: 84-8-3997-3000
Home Page: <http://www.dai-ichi-life.com.vn/>

PT Panin Dai-ichi Life

President: Fadjar Gunawan
Address: Panin Life Center, Jalan Letjend. S. Parman Kav. 91, Jakarta 11420
Tel: 62-21-255-66-888
Home Page: <http://www.panindai-ichilife.co.id/>

ASIA-PACIFIC

Star Union Dai-ichi Life Insurance Company Limited

CEO & MD: Girish Kulkarni
Address: 11th Floor, Vishwaroop IT park, Sector 30 A, Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400703
Tel: 91-22-3954-6300
Home Page: <https://www.sudlife.in/>

OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED

President: Nusara Banyatpiyaphod
Address: 170 / 74 - 83 Ocean Tower 1 Bldg., Rachadapisek Rd., Klongtoey, Bangkok, Thailand
Tel: 66(0)-2261-2300
Fax: 66(0)-2261-3344
Home Page: <http://www.ocean.co.th/th/home/index.php>

DLI ASIA PACIFIC PTE. LTD.

CEO: Norimitsu Kawahara
Address: 12 Marina View, #24-03/04, Asia Square Tower 2, Singapore
Tel: 65-6805-0550
Fax: 65-6805-0593

Beijing Representative Office

Chief Representative: Zhao Ke Fei
Address: 8th Floor, Chang Fu Gong Office Building, Jianguomenwai St. Chaoyang District, Beijing, China
Tel: 86-10-6513-9031
Fax: 86-10-6513-9225

Shanghai Representative Office

Chief Representative: Wang Jian Yun
Address: 17F, Hang Seng Bank Tower, 1000 Lujiazui Ring Road, Pudong New Area, Shanghai, China
Tel: 86-21-6841-3977
Fax: 86-21-6841-0267

EUROPE

Dai-ichi Life International (Europe) Limited

Managing Director: Akito Yanagihara
Address: 6th Floor, 6 Gracechurch Street, London EC3V 0AT, U.K.
Tel: 44-20-7220-1770
Fax: 44-20-7220-1779

HISTORY

1902

Tsuneta Yano issues Characteristics of My Company, a pamphlet explaining the merits of a mutual company, and subsequently establishes Japan's first mutual life insurance company, the Dai-ichi Mutual Life Insurance Company.

1938

The Head Office is moved to its current Tokyo location, which served as the General Headquarters of the Allied Powers (GHQ) following World War II.

1967

Dai-ichi Life's 20-story Oi Head Office, housing the Company's Policy Service departments and Computer Systems Department, is completed.

1970

FALIA, Foundation for the Advancement of Life Insurance Around the World, a consolidation of several related organizations active since 1962, is established to expand Dai-ichi Life's support for the life insurance business in Asia.

1975

Dai-ichi Life's first overseas representative office is established in New York (currently DLI NORTH AMERICA INC.) to study U.S. insurance, economic, and financial systems as well as to promote international group insurance policies among local subsidiaries of Japanese corporations.

1982

Dai-ichi Life's first European representative office is established in London (currently Dai-ichi Life International (Europe) Limited).

1988

Dai-ichi Life establishes Dai-ichi Life International (H.K.) Limited

1990

Dai-ichi Life's investment in Lincoln National Life Insurance Company marks the first time a Japanese company has participated in capitalizing a leading U.S. insurer (already ceased).

1993

Dai-ichi Life completes the DN Tower 21, a new Head Office building in the heart of Tokyo.

1995

Following the Great Hanshin Earthquake in January, Dai-ichi Life simplifies claims settlement procedures.

1996

Dai-ichi Life establishes the Dai-ichi Property and Casualty Insurance Co., Ltd. (already ceased).

1997

Dai-ichi Life establishes Dai-ichi Life Research Institute Inc.

1998

- Dai-ichi Life enters into the investment trust business as Daiichi Life Asset Management Co., Ltd.
- Dai-ichi Life reaches an agreement on total business cooperation with the Industrial Bank of Japan, Ltd. (currently Mizuho Financial Group, Inc.).

1999

- Dai-ichi Life and the Industrial Bank of Japan Co., Ltd. establish IBJ-DL Financial Technology Co., Ltd. (currently Mizuho-DL Financial Technology Co., Ltd.).
- Dai-ichi Life Asset Management Co., Ltd., IBJ NW Asset Management Co., Ltd. and IBJ Investment Trust Management Co., Ltd. merge to form DLIBJ Asset Management Co., Ltd. (currently DIAM Co., Ltd.).

2000

Dai-ichi Life enters into an agreement to form a comprehensive business alliance with the Yasuda Fire and Marine Insurance Co., Ltd. (currently Sompo Japan Nipponkoa Insurance Inc.) and a strategic marketing alliance with American Family Life Assurance Company of Columbus (AFLAC).

2001

Dai-ichi Life wins the "Japan Quality Award," the first company in the financial and insurance industry to receive this honor.

2002

Marking a century of insurance and investment achievements, Dai-ichi Life celebrates its 100th Anniversary.

2003

Dai-ichi Life issues subordinated bonds of ¥30 billion for public subscription using a securitization scheme.

2004

- Dai-ichi Life issues U.S. dollar-denominated subordinated bonds in the global capital market.
- Dai-ichi Life raises additional foundation funds of ¥60 billion through public offering using a securitization scheme.

2006

Dai-ichi Life raises additional foundation funds of ¥60 billion through public offering using a securitization scheme.

2007

- Dai-ichi Life acquires Bao Minh CMG, which recommences operations as Dai-ichi Life Insurance Company of Vietnam, Ltd.
- Dai-ichi Life's wholly-owned subsidiary, Dai-ichi Frontier Life Insurance Co., Ltd., obtains a license for life insurance business.
- Dai-ichi Life concludes a joint-venture contract to establish a joint life insurance company (Star Union Dai-ichi Life Insurance Company Limited) with the Bank of India and Union Bank of India.

2008

- Dai-ichi Life adopts a plan to demutualize and become a stock company.
- Dai-ichi Life concludes an agreement on a strategic business alliance, including the acquisition of shares, with Ocean Life Insurance Co, Ltd. (currently OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED) of Thailand.
- Dai-ichi Life enters into an agreement to form a strategic business alliance with TOWER Australia Group Limited (TOWER Australia).

2009

- Star Union Dai-ichi Life Insurance Company Limited commences sales of its products.
- Dai-ichi Life enters into ¥183 billion syndicated subordinated loan.
- The 108th general meeting of representative policyholders approves Dai-ichi Life's demutualization.

2010

Dai-ichi Life demutualizes and is listed on the Tokyo Stock Exchange.

2011

- Dai-ichi Life issues U.S. dollar-denominated perpetual subordinated notes in the global capital market.
- Following the Great East Japan Earthquake in March, Dai-ichi Life offers aid to the victims and special treatment for the policyholders affected by the earthquake.
- Dai-ichi Life successfully acquires 100% ownership of TOWER Australia, and TOWER Australia changes its name to TAL Limited (currently TAL Dai-ichi Life Australia Pty Ltd).

2012

Dai-ichi Life enters into a strategic business and capital alliance with Janus Capital Group Inc., a U.S. asset management company.

2013

- Dai-ichi Life acquires shares in Janus Capital Group Inc. making it an affiliate.
- Dai-ichi Life acquires shares in PT Panin Life (currently PT Panin Dai-ichi Life), an Indonesian life insurance company, making it an affiliate.

2014

- Dai-ichi Life concludes an agreement with Protective Life Corporation, a U.S. life insurance group listed on the New York Stock Exchange, on the commencement of procedures to acquire 100% ownership of the company.
- Dai-ichi Life successfully acquires 100% ownership of Sompo Japan DIY Life Insurance Co., Ltd. (currently The Neo First Life Insurance Company, Limited).

2015

- Dai-ichi Life successfully acquires 100% ownership of Protective Life Corporation.
- North America Regional Headquarters DLI NORTH AMERICA INC. and Asia Pacific Regional Headquarters DLI ASIA PACIFIC PTE. LTD. start operation.
- Dai-ichi Life launches Lady Yell More and Nadeshiko Yell.

2016

- Dai-ichi Life launches Nanairo Skip.
- Dai-ichi Life forms a business alliance with Japan Post Insurance Co., Ltd.

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