

(Unofficial Translation)
Consolidated Summary Report under Japanese GAAP
for the Nine Months Ended December 31, 2019

February 14, 2020

Company Name: Dai-ichi Life Holdings, Inc.

Stock exchange listings: Tokyo

Code Number: 8750

URL: <https://www.dai-ichi-life-hd.com/>

Representative: Seiji Inagaki, President, Representative Director

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Quarterly securities report issue date: February 14, 2020

Dividend payment date: -

Supplementary information for quarterly financial statements: Available

Explanatory meeting to be held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are truncated.)

1. Consolidated Financial Data for the Nine Months Ended December 31, 2019

(1) Consolidated results of operations

(% represents the change from the same period in the previous fiscal year)

	Ordinary Revenues		Ordinary Profit		Net Income attributable to shareholders of parent company	
	million yen	%	million yen	%	million yen	%
Nine Months Ended						
December 31, 2019	5,366,611	1.5	261,959	(10.8)	127,436	(15.5)
December 31, 2018	5,289,316	1.6	293,553	(14.9)	150,850	(24.3)

Note. Comprehensive income (loss) for the nine months ended December 31, 2019 and 2018 were 900,162 million yen (-%) and (294,366) million yen (-%), respectively.

	Net Income per Share	Diluted Net Income per Share
Nine Months Ended	yen	yen
December 31, 2019	111.87	111.79
December 31, 2018	129.92	129.83

(2) Consolidated financial condition

	Total Assets	Total Net Assets	Ratio of Net Assets Attributable to the Company's Shareholders to Total Assets
As of	million yen	million yen	%
December 31, 2019	60,943,431	4,515,040	7.4
March 31, 2019	55,941,261	3,713,592	6.6

(Reference) Net assets attributable to the Company's shareholders as of December 31, 2019 and March 31, 2019 were 4,513,977 million yen and 3,712,430 million yen, respectively.

2. Dividends on Common Stock

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal Year Ended	yen	yen	yen	yen	yen
March 31, 2019	-	0.00	-	58.00	58.00
March 31, 2020	-	0.00	-	-	-
March 31, 2020 (Forecast)	-	-	-	62.00	62.00

Note. Revision of dividend forecasts on the presentation date of this consolidated summary report: No

3. Consolidated Earnings Forecasts for the Fiscal Year ending March 31, 2020

(% represents the change from the previous fiscal year)

Fiscal Year Ending	Ordinary Revenues		Ordinary Profit		Net Income attributable to shareholders of parent company		Net Income per Share
	million yen	%	million yen	%	million yen	%	yen
March 31, 2020	6,931,000	(3.5)	417,000	(3.7)	226,000	0.4	199.61

Note. Revision of earnings forecasts on the presentation date of this consolidated summary report: No

“Net income per share” in the forecasts of consolidated results for the fiscal year ending March 31, 2020 is presented, factoring in the status of the total shares outstanding and the Company's own shares as of December 31, 2019.

* Notes

(1) Changes in significant subsidiaries during the period : No

(2) Adoption of unique accounting methods applied only to quarterly consolidated financial statements : Yes

For details, please refer to (3) Notes to the Quarterly Consolidated Financial Statements in the Appendix.

(3) Changes in accounting policies, accounting estimates and correction of past errors:

(A) Changes in accounting policies due to revision of accounting standards: Yes

(B) Changes in accounting policies due to reasons other than item (A) above: No

(C) Changes in accounting estimates: No

(D) Correction of past errors: No

For details, please refer to (3) Notes to the Quarterly Consolidated Financial Statements in the Appendix.

(4) Number of shares outstanding (common stock)

	As of December 31, 2019	As of March 31, 2019
(A) Total shares outstanding including treasury stock:	1,198,443,000	1,198,208,200
(B) Shares of treasury stock held:	66,228,325	52,650,425
	Nine months ended December 31, 2019	Nine months ended December 31, 2018
(C) Average outstanding shares:	1,139,130,719	1,161,061,219

Note. The number of treasury stocks includes the shares of the Company (4,084,000 shares as of December 31, 2019 and 4,161,700 shares as of March 31, 2019) held by the Stock Granting Trust (J-ESOP trust).

*This report is exempt from the quarterly review of CPAs or Audit firms.

*Notes for using earnings forecast in this report and others:

This report contains forward-looking statements, such as earnings forecasts, regarding the intent, beliefs and current expectations of the Company and its management with respect to the expected financial condition and results of operations of the Company. These statements necessarily depend upon information currently available to the Company and its management and on assumptions that the Company and its management believe are appropriate. Forward-looking statements are not guarantees of future performance and actual results may differ materially from any future results expressed or implied by forward-looking statements. Forward-looking statements are subject to various risks and uncertainties, such as fluctuations in market conditions, including changes in the value of equity securities and changes in interest rates and forward exchange rates, the occurrence of illegal acts, operational and system risks, risks associated with general economic conditions in Japan and other factors. Important factors which may affect the Company's financial condition, results of operations and business performance are not limited to the factors described above. In light of the risks and uncertainties relating to forward-looking statements, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this report.

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The Company plans to hold a conference call for institutional investors and analysts regarding its financial results for the Nine months ended December 31, 2019 on February 14, 2020. The material for the conference call will be posted on TDnet and the Company's website.

1. Unaudited Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

	As of March 31, 2019	As of December 31, 2019
ASSETS		
Cash and deposits	920,177	1,072,071
Call loans	335,500	522,100
Monetary claims bought	199,193	219,785
Money held in trust	559,474	1,033,042
Securities	47,065,031	49,703,628
Loans	3,353,268	3,601,589
Tangible fixed assets	1,145,267	1,165,434
Intangible fixed assets	444,869	474,321
Reinsurance receivable	155,320	1,367,585
Other assets	1,692,127	1,723,919
Deferred tax assets	17,154	14,824
Customers' liabilities for acceptances and guarantees	55,515	47,097
Reserve for possible loan losses	(1,248)	(1,595)
Reserve for possible investment losses	(390)	(373)
Total assets	55,941,261	60,943,431
LIABILITIES		
Policy reserves and others	48,279,458	50,667,044
Reserves for outstanding claims	555,517	587,472
Policy reserves	47,325,761	49,682,142
Reserve for policyholder dividends	398,178	397,429
Reinsurance payable	379,568	698,258
Bonds payable	1,062,252	1,143,515
Other liabilities	1,420,986	2,593,937
Net defined benefit liabilities	422,346	424,501
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,298	1,191
Reserve for possible reimbursement of prescribed claims	900	692
Reserves under the special laws	218,259	235,336
Reserve for price fluctuations	218,259	235,336
Deferred tax liabilities	311,059	541,162
Deferred tax liabilities for land revaluation	76,023	75,652
Acceptances and guarantees	55,515	47,097
Total liabilities	52,227,668	56,428,390

(Unit: million yen)

	As of March 31, 2019	As of December 31, 2019
NET ASSETS		
Capital stock	343,326	343,517
Capital surplus	329,723	329,863
Retained earnings	1,134,392	1,184,546
Treasury stock	(98,634)	(120,878)
Total shareholders' equity	<u>1,708,808</u>	<u>1,737,049</u>
Net unrealized gains (losses) on securities, net of tax	2,101,587	2,900,327
Deferred hedge gains (losses)	3,803	9,998
Reserve for land revaluation	(13,488)	(12,993)
Foreign currency translation adjustments	(77,457)	(109,188)
Accumulated remeasurements of defined benefit plans	(10,824)	(11,216)
Total accumulated other comprehensive income	<u>2,003,621</u>	<u>2,776,927</u>
Subscription rights to shares	1,162	1,063
Total net assets	<u>3,713,592</u>	<u>4,515,040</u>
Total liabilities and net assets	<u>55,941,261</u>	<u>60,943,431</u>

(2) Quarterly Consolidated Statement of Earnings and Comprehensive Income

[Quarterly Consolidated Statement of Earnings]

(Unit: million yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
ORDINARY REVENUES	5,289,316	5,366,611
Premium and other income	3,944,438	3,653,561
Investment income	1,168,777	1,499,110
Interest and dividends	916,708	951,973
Gains on investments in trading securities	50,616	185,635
Gains on sale of securities	188,499	222,066
Gains on redemption of securities	11,282	6,959
Reversal of reserve for possible loan losses	172	-
Reversal of reserve for possible investment losses	11	-
Other investment income	1,486	1,705
Gains on investments in separate accounts	-	130,771
Other ordinary revenues	176,101	213,939
ORDINARY EXPENSES	4,995,763	5,104,652
Benefits and claims	2,745,237	3,516,827
Claims	874,036	888,828
Annuities	597,956	898,422
Benefits	367,200	425,259
Surrender values	492,211	485,863
Other refunds	413,832	818,451
Provision for policy reserves and others	988,476	445,629
Provision for reserves for outstanding claims	3,981	29,543
Provision for policy reserves	978,273	409,890
Provision for interest on policyholder dividends	6,221	6,194
Investment expenses	479,627	397,941
Interest expenses	32,586	32,775
Losses on money held in trust	2,877	3,890
Losses on sale of securities	126,301	36,505
Losses on valuation of securities	3,374	6,513
Losses on redemption of securities	2,016	5,299
Derivative transaction losses	27,608	77,380
Foreign exchange losses	150,421	192,873
Provision for reserve for possible loan losses	-	352
Provision for reserve for possible investment losses	-	68
Write-down of loans	7	98
Depreciation of real estate for rent and others	9,866	9,977
Other investment expenses	30,203	32,204
Losses on investments in separate accounts	94,363	-
Operating expenses	519,513	503,781
Other ordinary expenses	262,908	240,472
Ordinary profit	293,553	261,959

(Unit: million yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
EXTRAORDINARY GAINS	2,213	396
Gains on disposal of fixed assets	2,194	393
Other extraordinary gains	18	2
EXTRAORDINARY LOSSES	21,359	19,346
Losses on disposal of fixed assets	3,502	261
Impairment losses on fixed assets	1,300	2,008
Provision for reserve for price fluctuations	16,556	17,076
Other extraordinary losses	0	0
Provision for reserve for policyholder dividends	61,169	60,652
Income before income taxes	213,238	182,356
Corporate income taxes-current	73,658	89,934
Corporate income taxes-deferred	(11,270)	(35,014)
Total of corporate income taxes	62,387	54,920
Net income	150,850	127,436
Net income attributable to shareholders of parent company	150,850	127,436

[Quarterly Consolidated Statement of Comprehensive Income]

(Unit: million yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net income	150,850	127,436
Other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	(439,221)	795,548
Deferred hedge gains (losses)	4,762	6,194
Foreign currency translation adjustments	(5,734)	(27,028)
Remeasurements of defined benefit plans, net of tax	(823)	(416)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(4,200)	(1,573)
Total other comprehensive income	(445,216)	772,725
Comprehensive income	(294,366)	900,162
(Details)		
Attributable to shareholders of the parent company	(294,366)	900,162

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

None

(Notes for Material Changes in Shareholders' Equity)

As the Parent Company has been engaged in the purchase of its shares in accordance with the resolution made at the meeting of its board of directors held on May 15, 2019, under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same, treasury stock increased by ¥22,498 million for the nine months ended December 31, 2019.

As a result, the amount of treasury stock was ¥120,878 million as of December 31, 2019.

(Adoption of Unique Accounting Methods Applied Only to Quarterly Consolidated Financial Statements)

(i) Calculation of Tax

Income taxes of certain consolidated subsidiaries of the Parent Company are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to income before income taxes for the nine months ended December 31, 2019. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the nine months ended December 31, 2019, after taking into account the effect of deferred tax accounting.

(Changes in Accounting Policies)

Effective the nine months ended December 31, 2019, certain consolidated overseas subsidiaries adopted Accounting Standards Update No. 2017-08 - Premium Amortization on Purchased Callable Debt Securities issued by the Financial Accounting Standards Board.

The update requires the premiums of callable debt securities to be amortized to the earliest call date.

In accordance with the amendments in this update applied on a modified retrospective basis, a cumulative effect adjustment to retained earnings was recorded at the beginning of the nine months ended December 31, 2019.

As a result, retained earnings decreased by ¥5,639 million at the beginning of the nine months ended December 31, 2019. There was no significant impact on the figures in the quarterly consolidated statement of earnings for the nine months ended December 31, 2019.