News Release

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DAI-ICHI LIFE

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Code: 8750 (TSE First section)

Dai-ichi Life comments on the start of the second year of the Group's Medium-term Management Plan "D-Ambitious" covering fiscal years 2015 to 2017

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Koichiro Watanabe) comments on the start of the second year of the Group's medium-term management plan "D-Ambitious: sustainable creation of corporate value that meets our stakeholder expectations"[1] covering fiscal years 2015 to 2017.

Under the plan, with further evolution of our unique value-creating framework, 'DSR management', we are dynamically and swiftly developing our business and striving to achieve a sustainable creation of corporate value that meets our stakeholders' expectations. During the fiscal year 2015, the first year of the plan, the Group results reflected a number of growth initiatives that have contributed to improved top and bottom lines of the Group.[2]

Today marks the start of the second year of "D-Ambitious". Since the beginning of 2016, the stability of the world economy and financial markets has been under pressure. A negative interest rate policy was introduced in Japan and there are concerns regarding how this policy will impact financial institutions. <u>Despite this environment, the Company continues to evolve growth initiatives.</u> The Company continues to build a firm foundation for sustainable growth: embarking on initiatives within the Group or alliances with business partners in order to add fuel to the "Three Growth Engines", namely the domestic insurance business, the overseas insurance business and growth investments. The recent announcement of the strategic business alliance between Japan Post Insurance Co., Ltd. and the Company,[3] or the announcement of the agreement between Mizuho Financial Group, Inc. and the Company to integrate the asset

[1] For details of the medium-term management plan, please refer to the Company releases on March 30, 2015 entitled "New Medium-Term Management Plan Covering Fiscal Years 2015 to 2017 D-Ambitious" and on May 15, 2015 entitled "Announcement of management objectives (quantitative targets) under Medium-Term Management Plan 'D-Ambitious', covering fiscal years 2015 to 2017".

[2] Results refer to the consolidated results for the nine months ended December 31, 2015

[3] Please refer to the Company release dated March 29, 2016 entitled "Announcement regarding Strategic Business Alliance between Japan Post Insurance Co., Ltd. and The Dai-ichi Life Insurance Company Limited"

management functions of both groups and jointly operate the new company "Asset Management One", are examples of these initiatives.

The Company announced its plan to shift to a holding company structure in October 2016.[4] The Company intends to make the current fiscal year the year during which it will launch the second stage of the "New Foundation" of the Group, which follows its demutualization and initial public offering that occurred during the first stage, thereby ensuring that the Group evolves the Group-wide implementation of growth initiatives.

While the Company believes the uncertainty in the economy and financial markets will have a limited impact on the financial results of the Group, the Company will react to the changes in a prompt and appropriate manner, based on a firm Enterprise Risk Management (ERM)[5] framework within the Group in order to foster a foundation for global business growth potential of the Group. The Company understands that the economic-value-based quantitative targets of the medium-term management plan, such as RoEV and economic solvency, are affected by the current environment. But the Company intends to maintain and achieve these targets.

Finally, the Company intends to maintain its target of achieving total shareholder return of 40% based on consolidated adjusted net income during the period of the medium-term management plan.

Medium-term Management Plan: Initiatives for fiscal year 2016 and after

- Continuing with the growth strategies through "Three Growth Engines". Achieving secure growth through the creation of new growth opportunities.
- Reacting to the markets through enhanced ERM framework. Maintaining shareholder return policy.

Growth Strategies

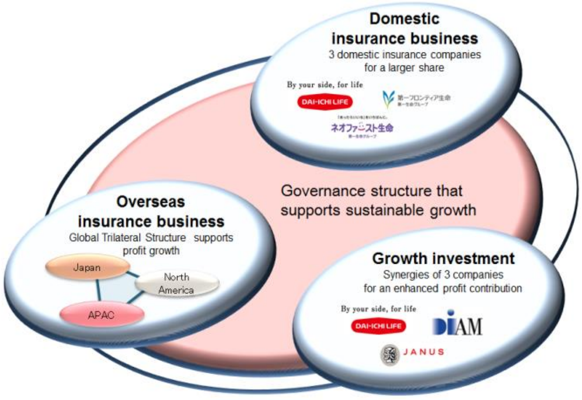
Continuing the implementation of the growth strategies through "Three Growth Engines"

During the fiscal year 2015, the Company rolled out "Three Growth Engines" covering the domestic insurance business, the overseas insurance business and growth investments, and the effects were visible through the Group results. These are the results of the Company's earlier investment for quantitative (organic and inorganic) growth as well as for qualitative growth (diversification of businesses and profits), and are the results that put the Company in an advantageous position of being less vulnerable to changes in economic conditions. Major milestones during the fiscal year 2015 include:

[4] The transition is subject to the approval of: (i) the annual general meeting of shareholders to be held in late June 2016; and (ii) regulatory authorities.

[5] ERM is a risk management approach to promote business activities by formulating a management plan and a capital strategy in accordance with a company's profits, capital conditions, and risks.

Three Growth Engines



✓ Dai-ichi Frontier Life continued favorable sales and its profitability is in sight

✓ Neo First Life became operational and complemented our "Three Brands Strategy" to better cater to the various needs of our customers

✓ Protective Life Corporation successfully completed the acquisition of blocks of business from Genworth Life and Annuity Insurance Company

✓ TAL became the insurance provider to one of the biggest superannuation funds in Australia

<u>Achieving secure growth through the creation of new growth opportunities</u>

Since the start of fiscal year 2016, the Company continues to implement initiatives to secure growth through the creation of new growth opportunities, such as an alliance with a new business partner, a new development in asset management business and a new business opportunity though technology innovation, on top of the growth at the existing businesses.

These initiatives include:

✓ Expansion of existing businesses

- Enhancing the training of Dai-ichi Life's Total Life Designers for better consultation capabilities and efficiency
- Nationwide sales of Dai-ichi Frontier products through Total Life Designers, responding to the needs of its customers
- Protective continues to see opportunities in its Acquisition Business Segment
- Continued growth at Neo First Life and other overseas businesses

✓ Alliance with a new business partner

- Japan Post Insurance Co., Ltd. and the Company announced a strategic business alliance which will complement and bring together each company's expertise and will strengthen their business foundations further in the areas of international life insurance business asset management, and domestic life overseas business

✓ New development in asset management business

- Mizuho Financial Group, Inc. and the Company will integrate the asset management functions of both groups and jointly establish the new company "Asset Management One" in October 2016, with the aim to establish the number one asset management company in Asia.

- ✓ New business opportunity through technology innovations
  - ● The Company innovates in the life insurance business with "InsTech (integration of insurance business with technology)", creating an eco-system with other industries and importing innovative ideas and development capabilities from outside the industry.

- ✓ Embarking on a second stage of "New Foundation"
  - ● The Company plans to shift to a holding company structure in October 2016. The Company intends to make the current fiscal year the year during which it will launch the second stage of "New Foundation" of the Group, which follows its demutualization and initial public offering in the first stage, thereby ensuring that the Group evolves the Group-wide implementation of growth initiatives.

Enterprise Risk Management

Reacting to the changes in a prompt and appropriate manner based on ERM

Faced with limited visibility of the financial-market environment, the Company intends to strengthen its strategies based on a firm ERM framework in order to achieve the economic solvency target set out in its medium-term management plan. The Company also intends to maintain its shareholder return policy during the period of the plan.

Major initiatives include:

- ✓ Adjusting the product portfolio and pricing in light of the market environment
  - ● In view of the lower interest rates in the domestic market, the Company will adjust pricing of part of its insurance products accordingly.

- ✓ Sophisticated investment strategies while controlling risk
  - ● More sophisticated investments include hedged foreign bonds and infrastructure projects that will help improve overall investment returns. At the same time, the Company plans to make more active use of derivatives to control risk amount.

- ✓ Use of supplementary capital instruments
  - ● The Company will consider using supplementary capital instruments if necessary.

- ✓ Maintain shareholder return policy
  - ● The Company intends to maintain its target of achieving total shareholder return of 40% by fiscal year 2017 based on consolidated adjusted net income during the period of the medium-term management plan.

Medium-term Management Plan “D-Ambitious”: Management Objectives

Items		Management Objectives
Corporate Value	Average EV Growth (RoEV)	Average RoEV of **over 8%** p.a.
	Consolidated Adjusted Net Income	**220 billion yen** in FY2017
Top Line (Growth)	Group In-force Annual Net Premium	**9% over Mar 2015** as of Mar 2018
Financial Soundness	Economic Solvency	**170% - 200%** by Mar 2018
Shareholder Return	Total Return Ratio	**40% during D-Ambitious**

* *Estimated based on the assumption that the economic environment remains similar to the current levels.*

* *Consolidated adjusted net income is an indicator that shows effective profitability, which is calculated by adding provision for reserves that are classified as liabilities such as reserve for price fluctuations and contingency reserve in excess of the legal amount (after-tax) to consolidated net income.*

* *Economic Solvency ratio is an indicator of financial soundness which is calculated by dividing economic capital by risk quantity based on internal model (at confidence level of 99.5%, excluding tax).*

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