

[Unofficial Translation]

May 30, 2017

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## **Dai-ichi Life revises policies in line with Principles for Responsible Institutional Investors: Japan's Stewardship Code and appoints outside members to the Responsible Investment Committee**

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The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) hereby announces revisions to Dai-ichi Life's policies under Japan's Stewardship Code (see appended document), in line with revisions made on May 29, 2017 to the Principles for Responsible Institutional Investors: Japan's Stewardship Code.

The Company is promoting investment guided by its social responsibility as an institutional investor (i.e. responsible investment) as part of an initiative to enhance asset management. The Company announced the acceptance of the Stewardship Code in May 2014 and in August of that year announced policies pertaining to the Stewardship Code. In line with these policies, the Company has executed stewardship centering on constructive, "purposeful dialog" with investee companies and the exercise of voting rights, and has worked to improve the quality of these actions.

The recent revisions to the Stewardship Code include new language concerning such matters as managing institution governance and managing conflicts of interest, as well as how voting results are announced. The Stewardship Code is a policy for the Company's implementation (and compliance with) all principles and guidelines following the revisions. The Company discloses its criteria for voting rights as well as its voting records for each investee company on an individual agenda item basis, to enhance visibility of its voting results.

The Company also announces that the two persons below are newly appointed to the outside members of the Responsible Investment Committee which is mainly for the purpose to enhance governance of the Company's stewardship activities. Both have deep knowledge and extensive experience with corporate governance, and the Company expects that their participation to the discussion in the committee from a third-party perspective makes its stewardship activities more effective.

Name	Reasons
Tetsuya HISHIDA (Partner of Industrial Growth Platform, Inc.)	He has extensive experience and remarkable achievements as a management consultant and a corporate executive.
Haruka MATSUYAMA (Lawyer, and Partner of Hibiya Park Law Offices)	She has deep knowledge and extensive experience with corporate governance as a lawyer.

The Company will continue endeavoring to promote the sustainable growth of investee companies and contribute to the vitalization of stock markets by carrying out stewardship duties as a responsible institutional investor.

Voting records will be disclosed by this autumn

## Dai-ichi Life's initiatives under Japan's Stewardship Code

Revised May 2017

Dai-ichi Life wholeheartedly agrees with the Principles for Responsible Institutional Investors: Japan's Stewardship Code, and with regard to Principles 1 through 7 of the Code, is implementing the following policies.

Principle 1: Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose them.

- Dai-ichi Life has established the following Stewardship Policy based on its acceptance of Japan's Stewardship Code and we will fulfill our responsibilities as an institutional investor in accordance with this policy.
- When commissioning asset management to an outside institution, Dai-ichi Life requires the institution to carry out stewardship activities and, upon clearly informing the outside institution of the principles and other matters required, conducts monitoring of the institution's implementation.

### Stewardship Activities Policy

#### 1. The Purpose of Stewardship Activities

The Dai-ichi Life Insurance Company, Limited (hereinafter "Dai-ichi Life") participates in constructive engagement and exercises voting rights for the purposes of encouraging the sustainable growth of investee companies (with stocks listed in Japan) and is working to increase medium- to long-term stock investment returns.

#### 2. The Basic Stance Towards Stewardship Activities

Dai-ichi Life invests in the stocks of companies(\*) for which profit growth and returns to shareholders in the form of dividends can be expected in the medium and long term. In consideration of these purposes of investment, Dai-ichi Life places particular importance on constructive, "purposeful dialog" with investee companies as part of its stewardship activities.

- (1) In order to accurately understand the situation of investee companies through research and to encourage increased share value over the medium to long term, Dai-ichi Life shares issues and engages in constructive, "purposeful dialog" on an ongoing basis concerning matters such as business strategy, financial strategy and policy for returns to shareholders.
- (2) When exercising voting rights, Dai-ichi Life confirms whether there are any concerns in terms of maintaining and improving the share value for each company and proposal. Efforts are made to make decisions that give consideration to the non-financial aspects of investee companies and the contents of dialogs held, rather than making clear-cut and rigidly uniform decisions based solely on factors such as short-term business performance and the share price. However, for important proposals that involve the corporate governance framework, voting rights are exercised based on clear-cut criteria.
- (3) After voting rights have been exercised, Dai-ichi Life considers communication of its stance towards the exercise of voting rights to be important. Particularly in the case of disagreement with a proposal, efforts are made to provide feedback on the reasoning to the investee company.

\* For stocks managed in a separate account, investing is conducted based on the investment advice of Asset Management One Co., Ltd.

### 3. Efforts to Improve Stewardship Activities

Dai-ichi Life works to develop highly specialized human resources so that it can conduct stewardship activities based on a deep understanding of matters such as investee companies and their business environment. Furthermore, Dai-ichi Life continuously improves upon its stewardship activities to make them more effective, thus carrying out our stewardship responsibilities at a high level.

Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

- Dai-ichi Life stipulates policy for handling conflicts of interest and makes arrangements to prevent such conflicts from arising. We have established a policy to ensure that the interests of parent company shareholders and policyholders are not unreasonably damaged during stewardship activities, such as dialog with investee companies or the exercise of voting rights, by identifying situations that contribute to fostering conflicts of interest.

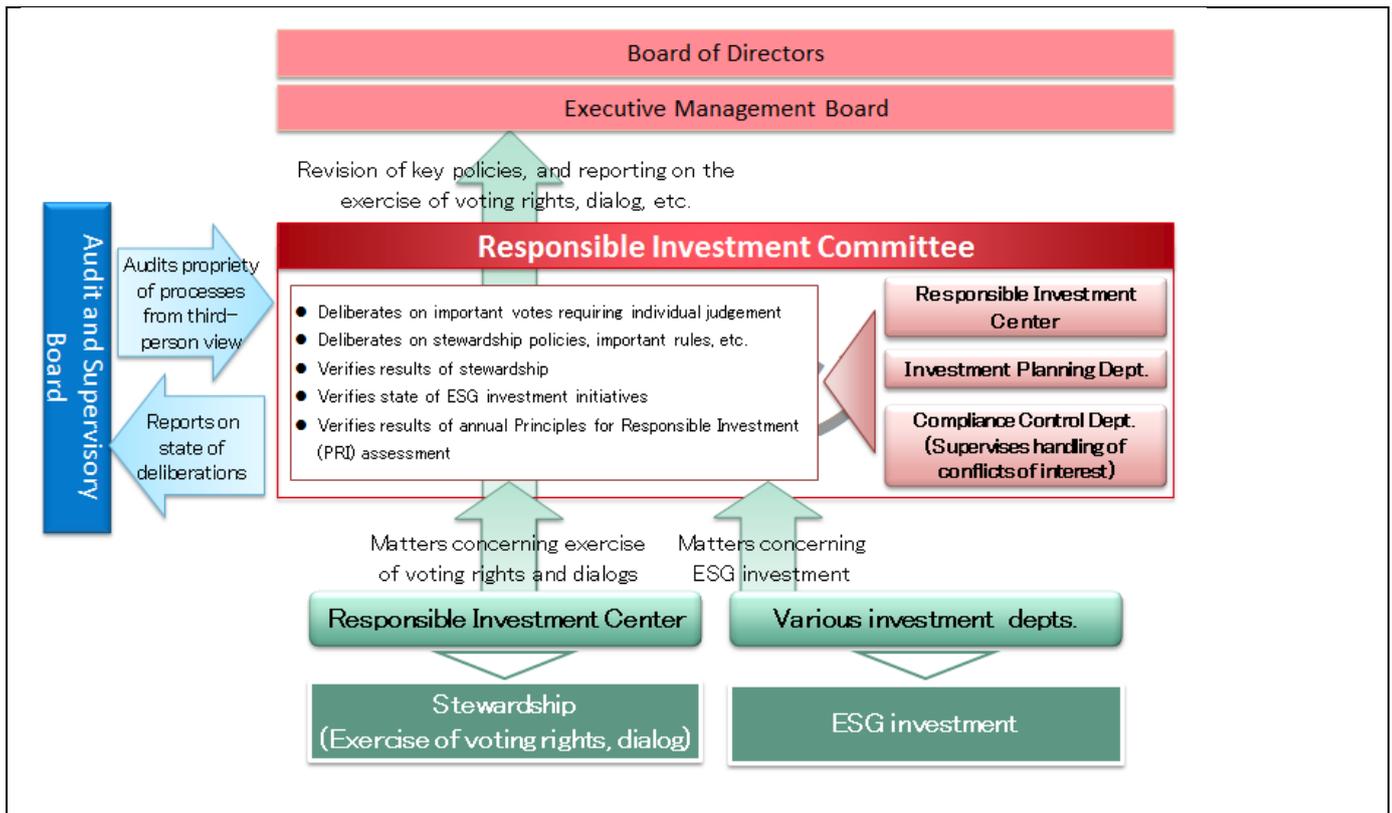
#### Policy on Handling Conflicts of Interest in Stewardship Activities

- The office for promoting responsible investment, a dedicated stewardship activities organization, determines whether or not to engage in dialog or the exercise of voting rights so as to sustain or raise the share price of investee companies and to improve governance.
- The responsible investment committee deliberates on the revision or revocation of important rules such as revisions to the Stewardship Activities Policy and criteria for exercising voting rights, deliberates on the exercise of voting rights on important issues requiring individual consideration, and monitors the results of exercised voting rights for conflict of interest. The responsible investment committee includes the head of the Compliance Control Department, who is charged with handling conflicts of interest, among its membership.
- The board of auditors, a majority of which comprises outside auditors, audits the deliberations of the responsible investment committee for following proper procedure.

(Primary situations conducive to fostering conflicts of interest)

- When exercising voting rights at an investee company with which the Company or a group company has dealings, such as an insurance policy, investment and loan, or the like.
- When exercising voting rights at an investee company with which the Company or a group company is proposing dealings such as signing an insurance policy, engaging in an investment and loan, or the like.

Note: Policy for the Management of Conflict of Interest (<http://www.dai-ichi-life-hd.com/en/coi.html>)



Principle 3: Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

- In order to properly carry out our stewardship responsibilities for the sustainable growth of investee companies, Dai-ichi Life endeavors to gain an accurate understanding of investee companies' circumstances through analyst research and "purposeful dialog."
- Research and dialog provide not only insight into short-term corporate performance, but also on a broad range of non-financial information as well, such as the company's strategy, medium-term management plan, and policy on shareholder returns, as well as governance and contributions to solving issues pertaining to society and the environment, which will enable us to assess medium- to long-term growth potential.

Principle 4: Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

- In addition, Dai-ichi Life strives to engage in constructive, "purposeful dialog," share a common understanding and correct problems with investee companies on an ongoing basis concerning matters such as business strategy, financial strategy, and the policy for returns to shareholders, so as to encourage greater share value for investee companies over the medium to long term.
- Dai-ichi Life typically engages in dialog with investee companies alone, but may cooperate with other institutional investors.
- This dialog with investee companies is not intended to obtain important, undisclosed material facts. If in the unlikely event a material fact is disclosed, we manage this information appropriately in accordance with our company rules.

**Principle 5:** Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

- The responsible investment promotion office exercises voting rights in accordance with the voting criteria, whose stipulation are based upon the deliberations of the responsible investment committee.
- Criteria for exercising voting rights are regularly reviewed to maintain and raise the share prices of investee companies over the medium and long term. The content of these criteria are made public.
- The results of votes are made public in a summary table. In addition, individual investee companies and each proposal are made public.

Note: When engaging in stock lending, we take care to retain voting rights. If stock lending coincides with a vesting date pertaining to voting rights, Dai-ichi Life may return ask for the return of lent stock.

**Principle 6:** Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

- Activities to carry out stewardship responsibilities, such as the exercise of voting rights and dialog, are regularly publicized on the website.

**Principle 7:** To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge of the investee companies and their business environment and skills and resources needed to appropriately engage with the companies and make proper judgments in fulfilling their stewardship activities.

- Dai-ichi Life encourages efforts towards addressing such issues as building the required management team and developing highly specialized human resources so that it can conduct stewardship activities based on a deep understanding of matters such as investee companies and their business environment.
- Furthermore, Dai-ichi Life regularly conducts self-assessments and publicizes the results thereof for the ongoing improvement of stewardship activities, thus carrying out our stewardship responsibilities at a high level.