

## Individual Life Insurance Products Offered to Individuals

In October 2008, we created a lineup of products that are simple and easy to understand by consolidating thirteen existing core products that had been named differently based on gender, age, and the applicable riders into three products: *Jinsei* (Life) series, namely, *Dodo Jinsei* (Dignified Life), *Junpu Jinsei* (Favorable Life) and *Shuyaku Jinsei* (Starring Life). These products have become very popular with customers.

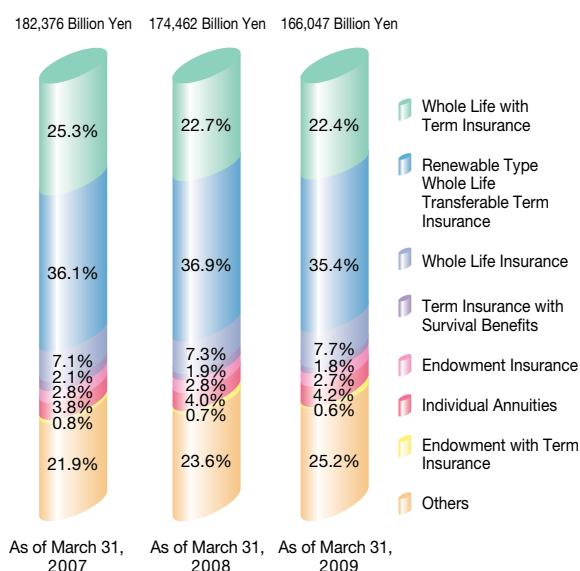
We sell savings products of Dai-ichi Frontier Life through financial institutions such as banks and securities companies.

We also provide products that are highly tailored to the needs of a wide range of customers by selling non-life insurance products of Sampo Japan and cancer insurance products of AFLAC.

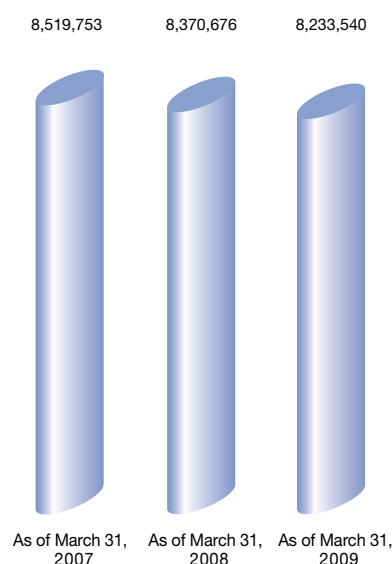
To maintain and strengthen comprehensive communications with customers over the long term, Dai-ichi has introduced a number of new customer-service initiatives. These initiatives included the introduction of the *With Partner* service for policyholders, the initiation of a practice in which our total life plan designers continuously visit all policyholders, the establishment of the industry's largest call center, and the introduction of a Total Life Plan e-Report, an Internet-based insurance contract inquiry system.

The amount of sum insured (policies in force) for individual insurance and individual annuity insurance policies that were surrendered or lapsed decreased for the ninth consecutive year. However, the amount of sum insured (policies in force) at the end of the fiscal year ended March 31, 2009 decreased by 4.8% from the previous fiscal year, to ¥166,047.8 billion. This decline is attributable to the effect of a decline in death benefit demand caused by the declining birthrate and the aging population.

■ Policies in Force of Individual Insurance and Individual Annuities



■ Number of Policyholders



## Total Life Plan: Providing Lifelong Security

### ■ Total Life Plan

Total Life Plan is a Dai-ichi initiative to help individual customers put together lifelong plans, to ensure that they are prepared to face any future event. Total Life Plan also consistently provides sound proposals, products, and services throughout the lives of customers.

### ■ As A Lifelong Partner

By further refining its management philosophy that puts customers first since its foundation, Dai-ichi set out the concept of a “Total Life Plan” in 1997 to continually remain a “Lifelong Partner” for customers.

Under this concept of the Total Life Plan, to accurately respond to the needs of the time, society, and customers, Dai-ichi has been striving to develop its own products and services and improve proposals by moving beyond the status quo.

To remain a “Lifelong Partner” for customers, Dai-ichi will continue to focus on customers’ requirements, and will strive to create a Total Life Plan that is suitable for individual customers.

## Consultation Systems That Support the Total Life Plan

### Bolstering Consultation Functions

#### ■ eNavit, a portable personal computer

Dai-ichi provides eNavit, a portable personal computer, to total life plan designers (sales representatives) to bolster the quality of their proposals.

eNavit enables our sales representatives to propose insurance products through simple presentations with the functions of the explanation navigator, helping customers to understand the need for insurance.

In addition, because eNavit is equipped with a data communications card, our sales representatives can access the headquarters’ computer system even when they are out of the office, enabling them to respond promptly to customer inquiries.

Meanwhile, Dai-ichi has strengthened its information security by consolidating customer information in the head office computer. We do not allow employees to keep the information in their own personal computers, and we have also strengthened ID authentication by introducing PC keys for individual users.

### ■ Total Life Plan Proposals to Customers

The Total Life Plan is a blueprint tailored to individual customers using specific data and amounts to match their life stage. The Total Life Plan takes into account the status of their income and expenditures over customers’ whole lives, as well as the size of the public pension payments they receive, the size of their retirement benefits, and their savings level.

The Total Life Plan provides customers with simulations for preparation for unexpected deaths and accidents, medical needs, nursing care, and old age, in accordance with the status of each individual customer.

### Provision of Consultation Services by Total Life Plan Designers

Dai-ichi uses the name Total Life Plan Designers to describe sales representatives who provide total life plans to individual customers as their lifelong partners. Over 40,000 Total Life Plan Designers are engaged in face-to-face consultation activities and providing services to policyholders.

### Provision of Consultation Services by Financial Planners (FPs)

Specialist knowledge about products and tax is required in proposing life insurance to customers.

To promptly and accurately respond to the diversified requirements of customers, Dai-ichi employs approximately 400 financial planners (FPs) nationwide.

Dai-ichi FPs possess qualifications of CFP or AFP certified by the Japan Association for Financial Planners, or FP qualifications, such as a Certified Skilled Worker of Financial Planning, a national accreditation.

Aiming to improve customer satisfaction, FPs are engaged in a wide range of activities nationwide, including proposals on (1) structuring a corporate welfare system using life insurance products to local small and medium-size enterprises, and (2) the effective use of life insurance based on their extensive knowledge of tax. Dai-ichi has a staff of 4,330 FPs holding qualifications of AFP or the 2nd Grade Certified Skilled Worker of Financial Planning, including 315 CFPs or 1st Grade Certified Skilled Worker of Financial Planning (as at the end of fiscal year 2008).

### Provision of Internet Consultation Services

Dai-ichi has developed a Life Design Cyber Shop on its Web page so that customers can easily ask questions about insurance estimates and other matters. Through the Life Design Cyber Shop, Dai-ichi FPs provide comprehensive consultation services, including preparations for diverse types of insurance in accordance with customers' objectives and the provision of consultations and advice via e-mail, telephone, or in person with a sales representative.

In addition, Dai-ichi provides a wide range of sophisticated consultations on post-retirement financing plans, inheritance planning, and other topics through the FP Consultation site, and its specialist financial planners provide private consultations to individual customers via e-mail and telephone.

### Expansion of Agency Networks

To better meet the increasingly diversified needs of customers and offer them greater convenience, Dai-ichi started developing agency channels on a full scale in the fiscal year ended March 31, 2001. Since then, in its initiative to develop this channel, the Company has been putting resources into organizations and assigning personnel to deal with agency channels.

Specifically, Dai-ichi has been providing comprehensive life and non-life insurance services since fiscal 2001 through the sales of products via sales agents of Sampo Japan, a business partner. Moreover, to provide individual annuities and other savings products to financial institution, Dai-ichi established a subsidiary that specializes in supplying products to financial institutions. The subsidiary began operations as Dai-ichi Frontier Life in October 2007. The new life insurance company provides products and services that meet the needs of customers, benefiting from the comprehensive strength of the Dai-ichi Life Group.

### Improving the Call Center

#### ■ Dai-ichi Call Center

The Dai-ichi Call Center handles inquiries about services and their procedures from customers. To promptly deal with customer inquiries, it uses the latest call center technology through which customers' calls are quickly and reliably transferred to specialist operators.

In fiscal 2008, the Call Center handled 1.16 million inquiries. The Call Center internally shares comments and requests received from customers to help Dai-ichi in its endeavor to improve the quality of customer services and to refine its operational processes.

#### ■ Communication Desk

To further improve customer services, the Communication Desk directly calls customers to confirm details of their policies and to provide the latest information about product and service campaigns. For customers who cannot be easily contacted during weekdays, the Desk calls them on Saturdays to ensure that they are also fully informed.

## Group Life Insurance

The Dai-ichi Mutual Life Insurance Company

### Sales Results of Products and Services for Corporate Clients

In offering products and services to corporate clients, Dai-ichi is active in providing comprehensive services and information, including detailed consulting services for management and welfare systems, and the holding of pension seminars and Total Life Plan seminars.

In the arena of corporate pension plans, sweeping systemic government reforms were carried out. Seven years have passed since the introduction of the defined contribution (DC) pension system and the defined benefit (DB) pension. Meanwhile, the tax-qualified pension plan will be abolished at the end of March 2012. In response, Dai-ichi is proposing the New DB Master Plan II, the design of which is standardized by fixing the amount of contributions in the DB system, and the Dai-ichi Life DC Smart Plan, which is designed to operate the corporate DC plans of multiple companies based on a single pension code in the DC system in addition to customized pension plans to meet the needs of customers.

A look at the status of group life insurance as of March 31, 2009 shows that the number of organizations with policies in force had declined, reflecting surrenders in association with changes in employment systems and revisions to benefit programs. However, the total amount of group

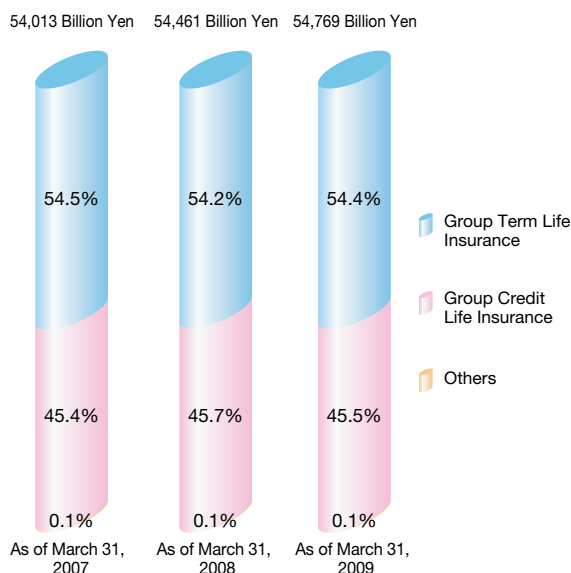
insurance policies in force rose 0.6% from the end of the previous fiscal year, to ¥54,769.4 billion, reflecting a rise in the amount of general welfare group term life insurance.

The amount of group annuity insurance policies in force as of March 31, 2009 declined 4.6% from the end of the previous fiscal year, to ¥6,140.6 billion, because of a 20.5% drop in the separate account from the previous fiscal year, primarily reflecting the impact of stock market fluctuations in Japan.

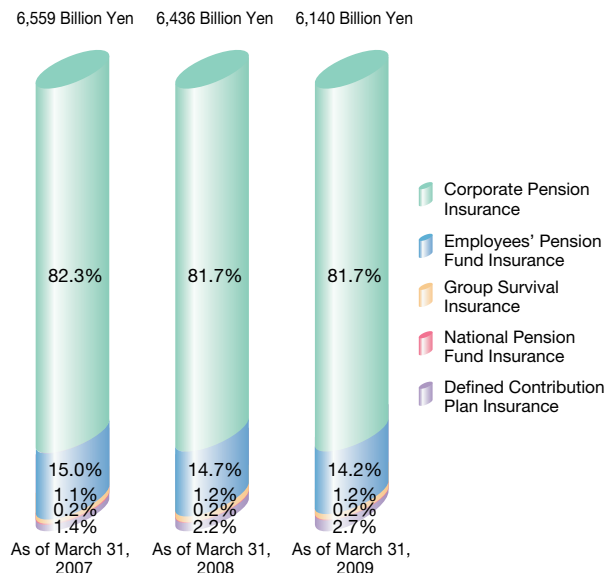
The balance of group pension assets of DIAM Co., Ltd. declined 22.3% from the end of the previous fiscal year, to ¥3,155.8 billion.

As a result, the balance of group pension assets for the Dai-ichi Life Group overall on March 31, 2009 was 11.5% lower than at the end of the previous fiscal year, at ¥9,296.4 billion.

■ Policies in Force of Group Life Insurance



■ Policies in Force of Group Annuities



## Investment Environment

The financial turmoil originating from the sub-prime loan problem in the United States evolved into global economic and financial crises in the second half of fiscal 2008. Over the fiscal year, the Japanese economy contracted sharply, with a decline in external demand resulting from the economic and financial crises, a corporate reluctance to make capital investment, declining production, and sluggish personal consumption reflecting a worsening employment and income environment.

The U.S. economy also experienced negative growth, with weak housing investment and a drop in personal consumption as the financial crisis gradually influenced the real economy.

In these economic conditions, the investment environment was as follows:

### Domestic Interest Rates

The yield on ten-year government bonds rose close to 1.9% in the first half of the fiscal year, given concerns over global inflation, reflecting high crude oil prices. The yield started to fall when the Bank of Japan began to take steps such as lowering interest rates and purchasing more government bonds in response to the global economic and financial crises, and declined to the mid 1.1% range—its lowest point in approximately five years—in December.

Yield on ten-year government bonds:

March 31, 2008 1.275%  
March 31, 2009 1.345%

### Domestic Stocks

After temporarily rising to the 14,000 level in the first half of the fiscal year, the Nikkei 225 index dropped sharply. Risk aversion spiked with the financial crisis, and the market suffered from a negative outlook for domestic corporate earnings resulting from the strengthening of the yen against the U.S. dollar and the deteriorating real economy. In the second half of the fiscal year, the index dropped to the lowest point seen since the collapse of the bubble economy, closing near 7,000.

Nikkei 225 Stock Average:

March 31, 2008 12,525  
March 31, 2009 8,109

TOPIX:

March 31, 2008 1,212  
March 31, 2009 773

## Foreign Currency

The U.S. dollar at one point plunged to ¥87, a level not seen in approximately 13 years, as so-called yen carry positions were unwound on the back of the narrowed interest rate differentials between Japan and the United States, as a result of aggressive interest rate cuts by the Federal Reserve Board in response to the financial crisis. Towards the end of the fiscal year, however, the U.S. dollar bounced back to the trading level seen at the start of the fiscal year.

The yen also sharply appreciated against the euro, reflecting the growing anticipation that the European Central Bank would slash interest rates to respond to the broadening financial crisis, as well as growing risk aversion.

yen/U.S. dollar:

March 31, 2008 ¥100.19  
March 31, 2009 ¥98.23

yen/euro:

March 31, 2008 ¥158.19  
March 31, 2009 ¥129.84

## Fundamental Investment Policy

Giving due consideration to stability and profitability that are required in the investment of insurance reserve funds and to the long-term prospects of life insurance contracts, Dai-ichi has established its fundamental investment policy based on the ALM (Asset Liability Management) approach, which considers the long-term perspective of the balance between assets and liabilities. Specifically, our investment portfolio is built around a core of yen-denominated fixed income assets, consisting mainly of domestic bonds and loans. At the same time, we are striving to increase the profitability of our portfolio by incorporating stocks and foreign securities within an acceptable range of risk. Additionally, risk monitoring is now more reliable as a result of our carefully planned risk management system, and we have increased investment efficiency.

## Summary of Investment Results

### ■ Summary of General Account Assets

#### ● Balance of Cash and Deposits Kept Low

While domestic interest rates remained low, Dai-ichi improved investment efficiency by keeping the balance of short-term funds low.

#### ● Increase in Domestic Bonds

In the face of rising interest rates, based on its Asset Liability Management (ALM) strategy, Dai-ichi replaced low-yield bonds with high-yield bonds, and stepped up investments in policy reserve matching bonds, mainly with a long and super-long duration.

It also sought to carefully select and diversify among credit risk products, including corporate bonds and asset backed securities, in step with the risk adjusted credit spread guidelines.

#### ● Domestic Stocks: Balance Falls

The balance fell with sales of domestic stocks made in light of risk control measures and falling stock prices. Dai-ichi replaced stocks of some companies and sectors with stocks of companies with more competitiveness and growth potential, taking into account analyses by in-house analysts.

#### ● Foreign Bonds: Balance Falls Slightly

To enhance the investment efficiency of fixed income assets, Dai-ichi increased its investment in bonds with hedged currency risk. Meanwhile, it sold bonds with un-hedged currency risk from the perspective of risk control. As a result, the balance of foreign bonds fell slightly. In addition, Dai-ichi sought to control risk by diversifying sectors and currencies.

#### ● Foreign Stock: Balance Increases Slightly

Investment in foreign stocks increased slightly, attributable to a rise in yen-denominated preferred securities that were categorized as foreign stocks, offsetting the impact of sales of foreign stocks from the perspective of risk control. Dai-ichi also sought to diversify both geographically and in terms of investment styles by adopting multi-manager investments that used independent investment advisors as well as in-house managers.

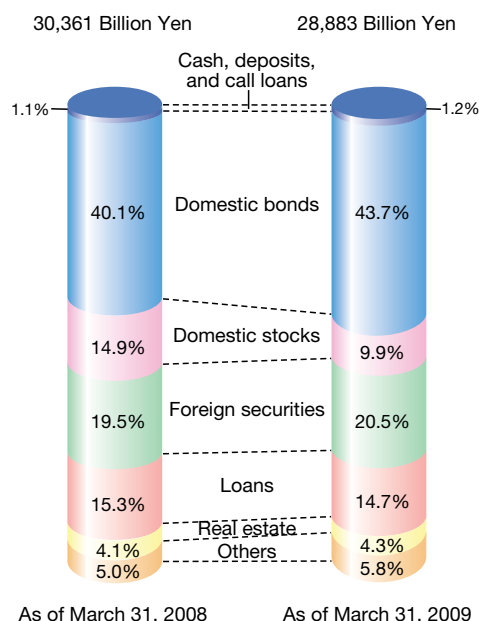
#### ● Decrease in Loans

Dai-ichi has endeavored to improve profitability by offering loans based on surplus profit commensurate with credit risks, while taking into account the trend of credit spreads in the bond market. However, the balance decreased because of the effects of redemption, among other factors.

#### ● Real Estate: Balance Unchanged

Dai-ichi has taken steps to strengthen the profitability of its portfolio by revising the rents of its real estate holdings and improving the operating rate. It has also improved the value of its assets, for example through repairs and re-construction.

### ■ Breakdown of Assets in General Account





## Promotion of ALM

Dai-ichi recognizes that, particularly at life insurance companies, it has become increasingly important to ensure the proper management of profit, risk, and capital through ALM, a system to control operating assets and liabilities (insurance policies) appropriately by being fully aware of the characteristics of liabilities.

Dai-ichi has adopted a number of management initiatives to ensure sound management. It has established the ALM Committee and built a system in which it examines the integrated management of assets and liabilities and the sophistication of its management system.

The Company has also introduced internal management accounting for each product group, the liabilities of which have different characteristics, while developing an administrative structure for each product group based on differences in market characteristics and profitability among the groups.

Specifically, Dai-ichi will identify and manage each risk associated with insurance underwriting, asset investment and liquidity for each major accounting unit, based on the product characteristics, set an appropriate assumed interest rate in consideration of asset investment environment and other factors, draw up an asset investment policy in consideration of the characteristics of liabilities, verify the appropriateness of the policy through the department in charge of risk management, and check the investment results. In addition, Dai-ichi will check the risks involved in insurance underwriting and asset investment at the time of the development and sale of new products.

## Investment Risk Management

### ■ Objective of Investment Risk Management

The objective of risk management at Dai-ichi is to maintain the soundness of its assets while paying close attention to the balance between risks and returns from a mid- to long-term perspective.

### ■ Investment Risk Management Structures

At Dai-ichi, the Risk Management Department carries out integrated risk management in which it oversees risks for the entire portfolio, including market, credit, and real estate investment risks, and strengthens its check function from the perspective of financial soundness.

### ■ Investment Risk Management Initiatives

#### ● Market Risk Management

The balance of assets, including securities and derivatives, which involve market risks, and their transactions, as well as their unrealized gains/losses are managed on a daily basis and reported to management. The Company has a framework in place to control risks by setting risk limits in relation to holdings, etc. In addition, various methods, including value-at-risk (VaR) analysis, a principal market risk measurement method, are used to grasp market risk volumes in numerical terms, thus ensuring more effective market risk management.

#### ● Credit Risk Management

Measures for credit risk management include rigorous preliminary reviews and post-transaction follow-ups on individual transactions. From the perspective of portfolio management, the Company analyzes and manages the makeup of transactions classified according to internal credit ratings, degree of concentration of credit granting, and other factors. The Company has also developed a framework to prevent a concentration of credit extension, for example by setting credit limits for large-lot borrowers. Besides these measures, portfolio credit risks are determined in numerical terms for management through the periodic measurement of credit risk volumes using methods including VaR analysis.

## Exposure to Securitized Products Including Subprime-Related Investments

Dai-ichi discloses its exposure to securitized products, including subprime-related investments, based on the “Leading-Practice Disclosures for Selected Exposures” included in the Financial Stability Forum (FSF) report announced in April 2008.

The Company’s exposure to securitized and subprime-related products is as follows:

- The Company held no direct investments in subprime-related products as of March 31, 2009.
- The Company holds investments in hedge funds in the form of fund-of-funds and single fund investments, and some of their underlying investments include subprime-related products. As there are both long and short positions in its asset portfolio, the Company believes that they will have a limited impact on its financial condition even under market fluctuations.
- RMBS accounts for approximately 80% of the Company’s total balance of securitized products in terms of fair value as of March 31, 2009. The breakdown of the RMBS is: (1) securities backed by US government agencies or US government-sponsored enterprises, (2) securities backed by Japanese mortgage loans, and (3) securities issued by Japan Housing Finance Agency.

### Breakdown of Securitized Products as a Whole

The Company held no direct investments in securitized products related to subprime loans as of March 31, 2009.

	Fair value	Unrealized gains (losses)	Realized gains (losses)	Percentage (Fair Value)
	(billions of yen)			
Securitized products, total	1,506.2	(28.7)	(76.3)	100.0%
CDO	11.2	0.0	(33.5)	0.7%
CMBS	0.3	(0.0)	-	0.0%
Hedge fund	222.4	(58.2)	(3.4)	14.7%
CDS	(*1) -	-	(0.0)	-
RMBS	1,172.4	29.8	(39.3)	77.8%
ABS	96.7	(0.3)	-	6.4%
Credit-linked note	2.9	(0.0)	-	0.1%

\*1. The Company held no balance of CDS as of March 31, 2009.



# Internal Control and Overall Risk Management

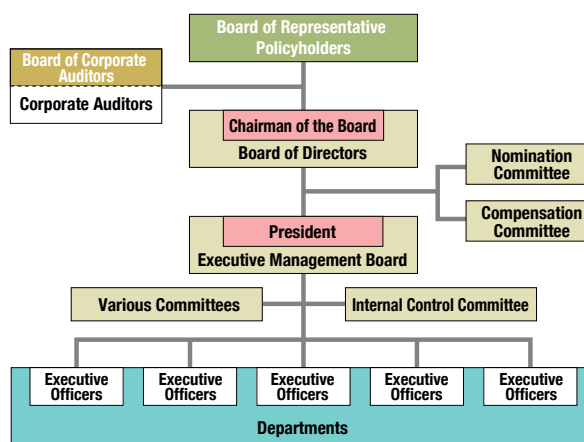
The Dai-ichi Mutual Life Insurance Company

## Management Control

The Board of Directors makes important management decisions and supervises the execution of operations. In an initiative to separate and thereby strengthen its functions of decision making and supervision on the one hand and operational execution on the other, Dai-ichi adopted an executive officer system in July 2004. Executive officers are elected by the Board of Directors and carry out duties assigned by the Board of Directors. Dai-ichi also has an Executive Management Board that meets twice a month, in principle, and consists of the president and executive officers appointed by the president. The Board considers important management and executive issues. As of June 30, 2009, Dai-ichi had 13 directors (including two outside directors) and 23 executive officers (including nine officers who are concurrently directors).

Moreover, to improve management transparency, in March 2006, Dai-ichi established a Nomination Committee and a Compensation Committee, each of which consists of two outside directors, the chairman, and the president, as independent advisory committees to the Board of Directors. The Nomination Committee confirms the eligibility of candidate directors. The Compensation Committee deliberates on the compensation systems for directors and executive officers and other related matters.

In addition to attending meetings of the Board of Directors and the Executive Management Board, corporate auditors audit the execution of duties by directors and executive officers through interviews with directors, executive officers, and the relevant departments. Corporate auditors also audit the status of compliance, risk management in overall operations, and the operational and financial status of Dai-ichi and its subsidiaries. In addition, the Board of Corporate Auditors deliberates on important audit issues. As of June 30, 2009, Dai-ichi had five corporate auditors (including three outside auditors).



## Status of Internal Control Systems

In response to the enforcement of the Companies Act, Dai-ichi established on April 1, 2006 the Basic Internal Control Policy that sets out its basic approach to and policy for internal control.

As part of the establishment of its internal control system, the Company set up an Internal Control Committee in April 2006. The Committee is a special organization assisting the Board of Directors and the Executive Management Board and is responsible for driving 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 dominating 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 divisions responsible for internal control and holds a meeting every month, in principle.

To enhance the effectiveness of internal controls, Dai-ichi also carries out internal control self-assessment (CSA) in all operations. Through CSA, the Company identifies major risks in each business, evaluates the importance of the risks in view of the magnitude of the potential effects and losses they may represent for customers should they arise, and assesses risk prevention systems. The Company seeks to mitigate risks and improve operations by developing and introducing measures against risks in order of priority.

## Compliance (observance of laws and ordinances, etc.)

Dai-ichi understands that conducting fair business activities in compliance with all laws and regulations, social standards, its Articles of Incorporation, internal regulations, etc. is the basis for fulfilling social responsibility and the public mission of the life insurance company. We believe that compliance is the most important issue for management, and so we have established and strengthened compliance systems, and operate our businesses in accordance with the law.

### ■ Policies and regulations Designed to Promote Compliance

Dai-ichi sets out a basic approach to compliance in its Basic Internal Control Policy, which was developed by the Board of Directors. It has also established Compliance Regulations that provide, for instance, for the development and promotion of compliance and insurance sales management systems. In April 2009, Dai-ichi publicly announced the latest revised version of the Salespersonship Policy, in light of the amendments to the Enforcement Regulation of the Insurance Business Law, etc.

The Board of Directors developed the Code of Conduct, which sets out the specific principles of the behavior of officers and employees.

The Company has created a Compliance Manual that includes these policies and regulations, accompanied by explanations of laws and regulations, and has distributed to all officers and employees to keep them informed of the policies and regulations. In addition, the Company has prepared a card showing the Basic Internal Control Policy, Salespersonship Policy, and Code of Conduct and has distributed copies of the card to all officers and employees.

Moreover, in light of the revisions to the Insurance Business Law, etc. in June 2009, Dai-ichi has established a policy to deal with conflicts of interest between customers and Dai-ichi Group companies. The policy is accessible from the Company's website.

### ■ Organizational Systems, etc. Associated with Compliance

Dai-ichi has established a Compliance Committee as a cross-sectional organization that monitors the promotion of compliance and its progress. Dai-ichi has also established a Compliance Control Department that focuses exclusively on strengthening the compliance structure and improving compliance.

To ensure compliance at branch offices that are directly engaged in insurance sales, Dai-ichi has established a Sales Compliance Promotion Center. Compliance officers at the Center initiate compliance initiatives and insurance sales management at branch offices through visits and by cooperating with compliance managers and compliance promoters assigned to each office.

To ensure the effectiveness and appropriateness of compliance promotion, the Internal Control and Auditing Department conducts operational audits.

### ■ Compliance Promotion

The Board of Directors of Dai-ichi sets out a Compliance Program each fiscal year as a specific plan of action. Based on this program, Dai-ichi promotes compliance across the Company. Progress is regularly reported to the Board of Directors and other organizations to ensure that it is monitored by management officers. Dai-ichi has also adopted a management system based on the plan-do-check-action (PDCA) cycle, in which the latest issues are always reflected in the program for the following fiscal year.

In addition, Dai-ichi has taken the initiative by requiring general managers of the head office and branch offices to submit a confirmation sheet concerning compliance promotion semi-annually so that management officers can monitor the effectiveness of compliance promotion.

Dai-ichi has established a structure in which any important matters associated with compliance that arise in departments of the head office and branch offices are promptly reported to the Compliance Control Department through compliance managers and handled appropriately. Moreover, it has established an inquiry desk (a hot line) as a channel, through which each employee can directly report and consult on matters concerning corporate ethics to ensure that issues are solved promptly and accurately.

## Information Property Protection

### ■ Basic Recognition

Information property generally refers to information and information systems possessed by Dai-ichi. Dai-ichi takes steps to protect information property and retain the trust of customers and society.

Information includes customer information and personal information. Customer information means information that has come into the possession of Dai-ichi in the course of its operations, such as insurance and financial transactions, and identifies specific individuals or corporations. Personal information means information that identifies specific individuals based on descriptions such as names and dates of birth.

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

To protect its information property, which includes customer information, Dai-ichi has established a Basic Internal Control Policy and information property protection and control regulations.

Based on the above Policy and Regulations, Dai-ichi has established information property protection and control standards, which are standards for specific security measures.

In addition, Dai-ichi has set up a Personal Information Protection Policy, covering the purpose, protection, and control of personal information, among other issues. This policy is disclosed on Dai-ichi's website.

### ■ Organizational Systems, etc. Associated with the Protection of Information Property

Dai-ichi has been pursuing comprehensive initiatives to protect information property. The Company has established an Information Property Protection Committee, while each department and branch office has nominated a person who is responsible for the protection and control of information property and a person who is responsible for promoting protection and control.

Moreover, the Internal Control and Auditing Department regularly carries out operational audits to ensure that these systems are working effectively throughout the Company, and it reports the results of the audit to the Board of Directors and the Executive Management Board.

### ■ Information Property Protection and Control

Dai-ichi has developed information property protection and control systems based on the Personal Information Law, guidelines, and other regulations associated with the protection of personal information in the financial industry. To strengthen the protection and control, Dai-ichi takes the following steps:

- Strengthening compliance with information handling rules through regular staff training
- Conducting regular inspections of information property protection
- Strengthening technical security control measures for times when the Internet, e-mail, external memory media, or other related items are used
- Strengthening the management systems for outsourcing service providers

### ■ Handling of Requests for the Disclosure of Personal Information and Others

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

Information about disclosure requests based on the Personal Information Law is also available on Dai-ichi's web page.

### ■ Handling of Comments, etc.

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

## Handling of Antisocial Forces

### ■ Basic Recognition

Under the basic management policy of Securing Social Trust, all organizations of Dai-ichi are united in their resolution to reject any coercion from antisocial forces that threaten the order and security of civil society and disrupt sound economic and social development and corporate activities. Dai-ichi is fully committed to blocking the development of any relationships with such forces to prevent any damage that may occur.

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

In accordance with the Basic Internal Control Policy, which sets out basic approaches and policies for preventing damage from antisocial forces, Dai-ichi has established regulations to handle such antisocial forces, which cover basic principles, including the roles of managers and employees, the roles of departments in charge, and measures taken by individual departments of the head office and branch offices. Moreover, based on the policy and regulations, Dai-ichi has established detailed standards, which set out rules for managers and employees, and specific initiatives for stopping any relationships with antisocial forces from developing and preventing damage.

### ■ 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 has established an Antisocial Forces Handling Committee. It has also designated the General Affairs Department as the department in charge of developing and strengthening systems to block the development of any relationships with antisocial groups or to prevent damage that may arise.

Dai-ichi 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 in organizing an appropriate response against such forces by cooperating with the General Affairs Department.

In addition, to appropriately handle antisocial forces, Dai-ichi 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, and lawyers.

## Risk Management

### Basic Recognition

To ensure sound and proper business operations and to fulfill obligations arising from its insurance policies, Dai-ichi identifies and evaluates risks in the Company, takes appropriate action based on the characteristics of each risk, and comprehensively manages these activities.

Specifically, the Company classifies risks into underwriting risks, investment risks, liquidity risks, operational risks, and system risks. Based on the classification, the Company develops an organization and rules, and manages risks in accordance with the risk characteristics. The entire Company is committed to improving soundness through the management and control of financial fundamentals, including the risk volume and capital.

In addition, Dai-ichi has established a crisis management system and a risk management system to deal with catastrophes, preparing for any crisis that cannot be dealt with through its regular risk management system.

### Risk Management Policies, Regulations, etc.

Dai-ichi includes in its Basic Internal Control Policy a basic philosophy and policy regarding risk management. The approach to managing each risk is provided in each basic risk management policy in line with the Basic Internal Control Policy. In addition, each of the risk management regulations and standards is translated into practical rules, following the Basic Risk Management Policy.

### Risk Management Structures

The risks arising from operations are managed at the discretion of the divisions responsible for executing the operations, in accordance with the Basic Risk Management Policy for each type of risk. The management of risks is checked by divisions responsible for checking risk management. To strengthen the risk management structure, the Company has set up the Risk Management Department, which comprehensively manages risks across the board. Management shares information on individual risks at regular meetings of the ALM Committee, the Operational Risk Management Committee, and the System Risk Management Committee, and uses the shared information in its decision making. Moreover, the Internal Control and Auditing Department examines the effectiveness and appropriateness of the risk management functions.

The Board of Directors and the Executive Management Board receive reports on risk management, based on which they make decisions. Corporate Auditors inspect overall risk management, including risk management by the management.

### Dai-ichi's Risk Management Structure



## Corporate Citizenship and Efforts regarding Environmental Issues

### Corporate Citizenship

#### Basic Policy

Since by its very nature the life insurance business is devoted to enriching people's lives by offering them stability and well-being, one of Dai-ichi's most important aims is to grow as a good corporate citizen along with the communities in which it operates.

To retain the public's trust, we undertake corporate citizenship activities that enrich the lifecycle of our customers and make a contribution to their daily lives and their communities. These activities also include volunteer efforts by Dai-ichi employees.

Dai-ichi's corporate citizenship activities cover six areas: health and welfare, the living environment, education and research, local community support, fine art and culture, and sports. Our corporate citizenship activities are based on a concept of "nurturing" and "continuity." We try to increase the benefit of our activities by periodically reviewing and revising them in light of changing needs.

#### Health and Welfare

##### ■ Public Health Award

In 1950, not long after the end of World War II, a Public Health Award was established to honor outstanding achievements by organizations or individuals in public health and sanitation. The Award has been presented every year since then with the sponsorship of the Ministry of Health, Labour and Welfare and other organizations.

In fiscal year ended March 31, 2009, with the 60th presentation of these awards, 10 organizations and 6 individuals were honored. To date, 585 organizations and 301 individuals in the field of public health have been honored.

Award winners every year receive an audience with the Emperor and Empress.

This award is highly regarded as the most prestigious in this field.

Achievements of award winners range from medical treatment, local medical care, improvement of the living environment, mother and children's health care, health and welfare for senior citizens, and health and welfare for the physically challenged, to measures to address the declining birth rate. The award clearly shows the history of the development of public health care in Japan after World War II.

### The Living Environment

#### ■ Green Environmental Design Award

A Green Design Award was established in 1990 to contribute to the development of a green urban environment, and to the creation of a community that offers extensive opportunities for people to get in touch with nature. Awards are given to the best of the green plans that are submitted from all over the country. The selected plans are then eligible for subsidies. In the fiscal year ended March 31, 2009, with the 19th presentation of these awards, five organizations that contributed to afforestation were honored. Starting the fiscal year ending March 31, 2010, this award will be named the Green Environmental Design Award, and will support plans that contribute to improving local landscapes and living environments, as well as to bettering local environments.

#### Local Community Support

Since the fiscal year ended March 31, 2003 Dai-ichi has participated in the "Yellow Badge Traffic Safety Campaign" which provides first-graders throughout Japan with yellow badges they can wear to signify that they are covered by traffic accident insurance if they are involved in an accident on their way to or from school. This campaign, which began in 1965 and has continued without interruption for over 40 years, is developed to teach children traffic safety concepts. It also gains the attention of parents and drivers, helping to protect children from traffic accidents. From the beginning of the campaign, the number of recipients of yellow badges has reached about 55 million. Dai-ichi has also established a "Matching Gift" program to give monetary support to Dai-ichi employee groups which engage in a number of volunteer activities in various communities including community cleanup efforts, charity bazaars, facility tours, and collecting donations.



### Fine Art and Culture

We support the “Vision of Contemporary Art” (VOCA) exhibition as a part of our philanthropic efforts in the fine arts. The exhibition is intended to support the education of promising young modern artists and serve as a stimulus to the art world. In the 16th VOCA exhibition held in 2009, works of 35 young artists nationwide were exhibited, one of which was honored with the VOCA award, while others received other awards. Works honored with the VOCA award or the VOCA encouragement award are possessed by Dai-ichi, and are displayed periodically in the Dai-ichi Life Gallery located in the lobby on the ground floor of our Hibiya Head Office.

In November of 2001, we opened “Dai-ichi Seimei Hall” at Harumi Island Triton Square, located in Tokyo’s Chuo Ward.

The Hall hosts concerts, featuring a diverse range of performers. It is the first private hall in Tokyo managed by a non-profit cultural organization (NPO).



### Sports

In recognition of the ambitious aims of the Japan Tennis Association to train young players representing Japan, Dai-ichi has supported the “All Japan Primary School Students Tennis Championships” since its inception. The 26th competition was held in fiscal 2008.



### Activities of FALIA

#### ■ Purpose and Brief History

Dai-ichi started a training program for people working in the life insurance industry in Asian countries, with hopes that we could be of assistance in developing the life insurance industry in the region. In 1970, in order to promote the project further, Dai-ichi established the Foundation for the Advancement of Life Insurance in Asia (FALIA). In April 1994, the Foundation was given a fresh start under a new name, “The Foundation for the Advancement of Life & Insurance Around the world,” with the acronym FALIA unchanged.

Dai-ichi holds four or five training courses a year on the life insurance industry. As at the end of fiscal 2008, 3,068 trainees had attended the seminars. Dai-ichi also holds seminars in other countries two or three times a year, totaling 147 seminars overall with more than 5,000 participants. Dai-ichi is committed to encouraging international exchanges through these programs.

#### ■ Principal Activities

- Insurance Seminars held in Japan
- Insurance Seminars held at Overseas Locations
- English Information Service
- General Secretariat of East Asian Insurance Congress (EAIC)





## Initiatives to Protect the Environment

Recognizing the growing worldwide interest in protecting the environment and combating global warming, Dai-ichi managers and employees understand that in fulfilling its social responsibility towards the environment a company can contribute to creating a sustainable society and preserving the planet for future generations. To do this, Dai-ichi understands that it must encourage sustainability initiatives, such as energy saving, natural resources saving, and recycling.

To practice management based on its corporate social responsibility (CSR), Dai-ichi has established a policy regarding its environmental initiatives, under which Dai-ichi commits as a corporate citizen to ongoing initiatives to protect the environment.

## Compliance with Regulations

### ■ Introduction of a Company-Wide Energy Management System

To comply with regulations associated with the environment (the Law Concerning the Promotion of Measures to Cope with Global Warming, the Energy Saving Act, and other laws and bylaws), Dai-ichi understands the volume of the energy consumption and greenhouse gas emissions permissible for major business companies, and has been striving to reduce the effects on the environment by adopting specific targets.

Since April 2009, Dai-ichi has been monitoring the energy consumption of sales offices nationwide. The Company has been taking comprehensive steps to prevent global warming through energy saving initiatives.

## Environmental Initiatives

### ■ Energy Saving Activities

#### ● Adoption of “Cool Biz”

Starting fiscal 2008, sales offices of Dai-ichi nationwide have adopted Cool Biz, a program that promotes a relaxed office dress code during hot summer months to save on cooling expenses. By adjusting the temperature of office air conditioners, a number of sales offices have been saving energy to help combat global warming.

#### ● Introduction of energy saving facilities to existing buildings

As part of its energy saving initiatives and in an effort to reduce carbon dioxide emissions, Dai-ichi has introduced to existing buildings regenerative air conditioning systems that use nighttime power. In recognition of these initiatives, Dai-ichi received

a certificate of appreciation this year at the 12th Thermal Storage Conference, sponsored by the Heat Pump and Thermal Storage Technology Center of Japan, an organization associated with the Ministry of Economy, Trade and Industry.

#### ● Initiatives to Expand the Use of Clean Energy

To help preserve the global environment, Dai-ichi has purchased green electricity equivalent to the electricity used in the 19th presentation of the Green Design Award (held on May 25, 2009), which was sponsored by Dai-ichi, and the 108th general meeting of representative policyholders (held on June 30, 2009).

### ■ Initiatives for Natural Resources Saving

#### ● Consolidating and computerizing brochures and other printed materials

By consolidating and computerizing brochures and other printed materials in light of their use and the frequency of publishing, Dai-ichi has approximately halved the number of brochures and other printed materials since the beginning of fiscal 2008.

#### ● Review of insurance terms and conditions provided during a policy period

By adopting tailored insurance terms and conditions from May 2008 for insurance policies provided during a policy period, Dai-ichi has managed to cut approximately 240 pages per policy on average, saving approximately 37 tons of paper resources in fiscal 2008. In addition, by eliminating excess inventory, which has been an issue for some time, Dai-ichi further reduced paper resources.

#### ● Management of environmentally friendly conferences and training seminars

Dai-ichi has started to take a number of steps to achieve paperless operations and improve its operational processes and productivity, resulting in a reduction in the use of copy paper.