

Individual Life Insurance

Individual Life Insurance Products Offered to Individuals

During fiscal 2009, we took steps to enhance our product lineup and services, launching Hospitalization Benefit Rider D, creating a CD-ROM that includes the Policy Guide: Policy Conditions, and providing an Internet (PC) service exclusively for policyholders named Total Life Plan My Page.

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 communication with customers over the long term, Dai-ichi has introduced a number of new customer-service initiatives. These initiatives include the provision of the *With Partner* service for policyholders, face-to-face consulting by Total Life Plan Designers using the portable personal computer eNavits, the industry's largest call center, and a Total Life Plan e-Report, which enables policyholders to check the contents of policies on the Company's website.

■ Policies in Force, New Business, and Decreased Policies of Individual Insurance and Individual Annuities

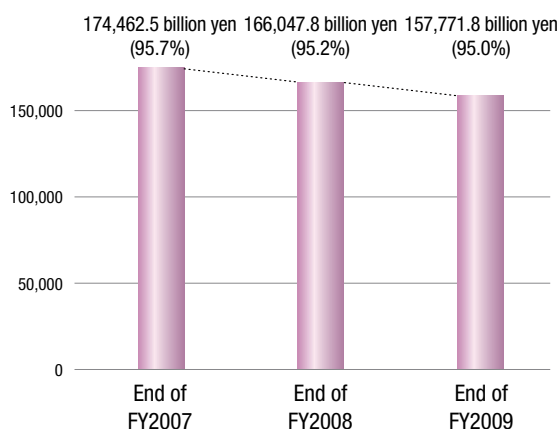
The sum insured of new business of individual insurance and individual annuities in fiscal 2009 declined 4.7% from the previous fiscal year, to ¥6,835.8 billion. Decreased sum insured fell 3.0%, to ¥15,111.9 billion.

As a result, sum insured of policies in force at the end of fiscal 2009 declined 5.0%, to ¥157,771.8 billion.

The sum insured of new business including that of Dai-ichi Frontier Life rose 1.4%, to ¥7,643.3 billion. New policies increased from a year ago for the first time in 18 years.

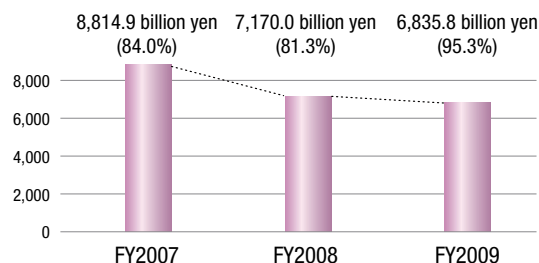
Sum insured of policies in Force

(Figures in parentheses show the year-on-year comparison.)



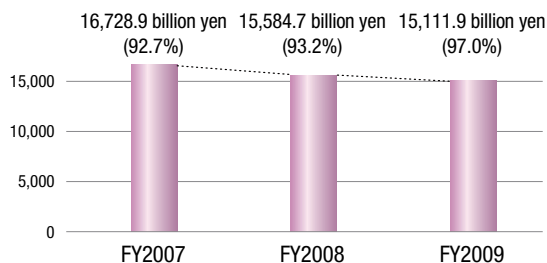
Sum insured of new business

(Figures in parentheses show the year-on-year comparison.)



Decreased Sum Insured

(Figures in parentheses show the year-on-year comparison.)



Total Life Plan: Providing Lifelong Security

■ Total Life Plan

Total Life Plan is a Dai-ichi initiative to help individual customers consider 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, Dai-ichi has been striving to develop its own products and services and improve proposals, and avoid being bound by conventional thinking, for the sake of accurately responding to the needs of the time, society, and customers.

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.

The functions offered by eNavit include an Explanation Navigator, which helps the designers describe the need for insurance, propose insurance products, and provide information. It enables them to make easy-to-understand, visual explanations.

We use eNavit also for e-learning to improve our staff’s consulting capabilities. Using a data communication card, designers can access our computer system when they are out of the office and can answer inquiries from customers promptly.

Dai-ichi has bolstered its information security by: storing customer information in the head office computer instead of keeping it on their own personal computers; and strengthening ID authentication by introducing USB 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 would 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 life after retirement, 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 providing face-to-face consultation and other 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 deploys approximately 400 financial planners (FPs) nationwide.

In principle, Dai-ichi FPs possesses qualifications such as a Certified Skilled Worker of Financial Planning, a national accreditation, or CFP or AFP certifications provided by the Japan Association for Financial Planners.

Aiming to improve customer satisfaction, FPs are engaged in a wide range of activities nationwide, including: structuring a corporate welfare system using life insurance products, to local small and medium-size enterprises; and the effective use of life insurance based on their extensive knowledge of tax.

Dai-ichi has 4,391 employees holding qualifications as a 2nd Grade Certified Skilled Worker of Financial Planning, or AFP, including 316 1st Grade Certified Skilled Workers of Financial Planning, or CFPs (at the end of March 2010).

Internet Consulting

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 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 meet the diversified needs of customers and offer them greater convenience, Dai-ichi started developing agency channels on a full scale in the fiscal 2000. Since then, in an effort to develop this channel, the Company has been allocating its resources to organizations and assigning personnel to deal with agency channels.

Specifically, Dai-ichi has launched the sale of its products via sales agents of Sompo Japan, a business partner since fiscal 2001. We are providing comprehensive life and non-life insurance services. Moreover, Dai-ichi Frontier Life, a subsidiary that specializes in supplying the bancassurance products, has been providing individual annuities and other savings products for financial institutions since fiscal 2007.

Dai-ichi will continue to provide products and services that will meet the needs of customers, making the best of the comprehensive strength of the Dai-ichi Life Group.

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 2009, the Call Center handled 1.29 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

Sales Results of Products and Services for Corporate Clients

Dai-ichi has been offering a variety of products and services to corporate clients, including detailed consulting about welfare, pension and retirement benefit systems, and a broad range of information through seminars.

In group insurance, Dai-ichi is proposing general welfare group term life insurance products that support systems for condolence money and retirement benefits at the time of death, and group term life insurance and (group) medical care insurance products, which help employees prepare insurance by themselves.

In the arena of corporate pension plans, sweeping systemic government reforms were carried out. Eight years have passed since the introduction of the defined contribution (DC) pension schemes and the defined benefit (DB) pension schemes. Meanwhile, the tax-qualified pension schemes 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, 2010 shows that the number of organizations with policies in force declined, reflecting surrenders in association with changes in employment systems and revisions to benefit programs. As a result, the sum insured of group insurance policies in force fell 1.3% from the end of the previous fiscal year, to ¥54,051.1 billion.

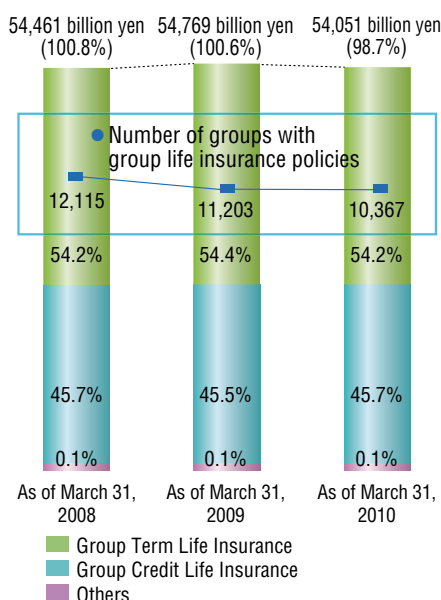
The sum insured of group annuity policies in force as of March 31, 2010 rose 0.8% from the end of the previous fiscal year, to ¥6,192.2 billion, primarily reflecting favorable separate account management associated with a moderate recovery in the financial market.

The balance of group pension assets of DIAM Co., Ltd. increased 19.0% from the end of the previous fiscal year, to ¥3,755.6 billion.

As a result, the balance of group pension assets for the Dai-ichi Life Group overall on March 31, 2010 climbed 7.0% from the end of the previous fiscal year, to ¥9,947.9 billion.

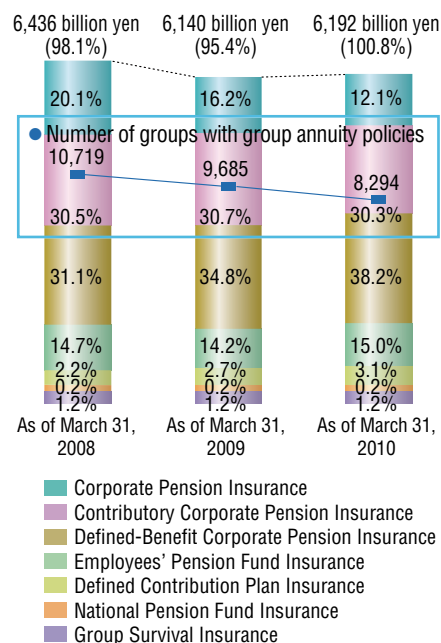
Policies in Force of Group Life Insurance

(Figures in parentheses show the year-on-year comparison.)



Policies in Force of Group Annuities

(Figures in parentheses show the year-on-year comparison.)



*The amount of group annuities is the amount of outstanding policy reserves.

Investment Environment

The global economy emerged from the worst of the economic crisis thanks to the economic and financial stimulus measures adopted by governments around the world, with the recovery led by emerging economies. The Japanese economy also bottomed out during fiscal 2009, thanks to an economic stimulus package that included supplementary income payments and a reduction in tolls on the national highway system. An improvement in external demand from Asia also fueled the recovery. The large-scale economic stimulus package by the U.S. government revived employment and investment in housing in the United States, and the U.S. economy continued to recover.

Given the economic conditions described above, the investment environment was as follows:

Domestic Interest Rates

The yield on ten year government bonds topped 1.5% at one point, reflecting the economic recovery and subsequent concerns about the fiscal deficit. Interest rates fluctuated between 1.2% and 1.4% towards the end of the fiscal year, as the Bank of Japan continued to loosen monetary policy and as deflationary pressures mounted throughout the economy.

Yield on ten-year government bonds:

March 31, 2009	1.345%
March 31, 2010	1.390%

Domestic Stocks

The Nikkei 225 Stock Average regained ground and topped 10,000 during the first half of fiscal 2009, reflecting expectations that the domestic and overseas economies would ultimately recover. The index lingered around 10,000 as the market discounted the impact of deflation and the appreciating yen on corporate earnings. It then rose above 11,000 for the first time since October 2008, with investors appreciating the firm external demand from developing economies and the yen stabilizing towards the end of the fiscal year.

Nikkei 225 Stock Average:

March 31, 2009	8,109
March 31, 2010	11,089

TOPIX:

March 31, 2009	773
March 31, 2010	978

Foreign Currency

Confronted with a deteriorating fiscal balance in the United States and financial instability in the Middle East and Southern European economies, investors tend to be risk-averse and avoid currencies other than the Japanese yen. It appreciated to ¥84 against the U.S. dollar, the highest level in 14 years. The inflationary pressure on the yen eased by the end of the fiscal year as the Bank of Japan further relaxed its monetary policy and as the market began to factor in the possibility of a reversal in interest rate trends in the United States. Overall, however, the yen remained stronger against the U.S. dollar throughout the fiscal year.

The yen also appreciated against the euro, as more investors took a cautious view on the direction of European economies in light of financial instability in the Middle East and Southern European economies.

Yen/U.S. dollar:

March 31, 2009	¥98.23
March 31, 2010	¥93.04

Yen/Euro:

March 31, 2009	¥129.84
March 31, 2010	¥124.92

Fundamental Investment Policy

Our fundamental investment policy is based on the Asset Liability Management (ALM) approach. The objective of the approach is to make stable long-term payment of annuities or claims and benefits, taking into consideration the characteristics of the liability. Specifically, our investment portfolio is built around a core of yen-denominated fixed income assets, consisting mainly of domestic bonds. On the other hand, we are striving to increase the profitability of our portfolio by incorporating stocks and foreign securities. It is within an acceptable range of risk in securing financial soundness. Through a meticulous risk management system, Dai-ichi ensures that it monitors risks and seeks to improve investment efficiency.

[ALM]

ALM is the abbreviation of Asset Liability Management. For the life insurance company, it is to grasp the risks arising from fluctuations in interest rates on liabilities (insurance policies) and manage the assets that are appropriate given the characteristics of those risks. It is important to maintain assets in accordance with the characteristics of the liabilities and prepare for the payment of insurance claims.

[Portfolio]

A portfolio is a set of assets that a particular company has.

Summary of Investment Results

■ Summary of General Account Assets

● Balance of Cash and Deposits Kept Low

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

● Domestic Bonds: Increase

The Company actively replaced low-yield bonds with longer duration high-yield bonds and also increased investment in policy-reserve-matching bonds (mainly long-term and super-long-term bonds) based on its ALM strategy. The Company also made efforts to improve investment yields by carefully selecting and diversifying among various credit risk products, including corporate bonds and asset backed securities, in accordance with its internal guidelines on risk-adjusted credit-spread.

● Domestic Stocks: Increase

Although the Company carried out sales of a part of this asset category for risk-control purposes during the period, the balance increased because the valuation of remaining stocks in the portfolio rose, following the market recovery, more than enough to offset the decline due to sales. We took steps to improve the profitability of the portfolio by replacing stocks of certain companies and sectors with those offering more competitiveness and growth potential, based on in-house analyses.

● Foreign Bonds: Increase

The Company decreased its exposure to bonds without currency hedges as a risk control measure. Meanwhile, the Company increased its investment in foreign currency-denominated bonds with currency hedges, aiming for an improved investment return in the fixed income asset category, resulting in an increase in the total balance of foreign bonds. Also, the Company made efforts to improve return on investments and to control risk by diversifying its portfolio by sector and currency.

● Foreign Stocks: Increase

As a result of the global stock market recovery, the balance of foreign stocks in the Company's portfolio increased. The Company accelerated diversification of geographic allocation and styles of foreign stock investment, utilizing both independent advisors and in-house managers (multi-manager investment).

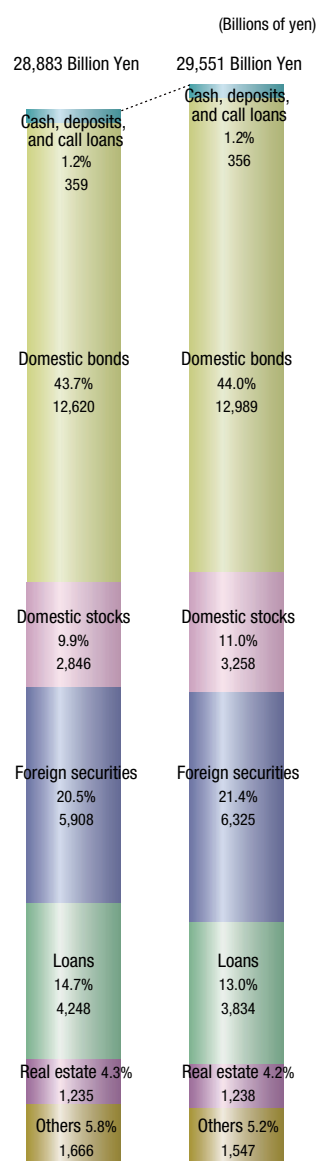
● Loans: Decrease

The Company made efforts to maintain high profitability by setting adequate risk-adjusted spreads, while paying attention to the credit spread changes in the bond market. However, its total balance of loans decreased due to maturities.

● Real Estate: Flat

The Company sought to improve profitability, which include renegotiating the rents and improving the vacancy rates of its real estate portfolio. The Company also took steps to increase the value of existing real estate by refurbishment and housing rehabilitation.

Breakdown of Assets in General Account



As of March 31, 2009 As of March 31, 2010

Asset investment yield (general account)

	FY2007	FY2008	FY2009
Rate of return of investment on fundamental profit	3.14%	2.70%	2.56%
Investment yield	2.40%	0.22%	2.17%

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

[Credit spread]

Yield in excess of the yield of government bonds

[In-house management]

The investor manages assets, acquiring stocks and bonds and setting up deposits by itself, without assigning the management to outside management institutions.

[Multi-manager investment]

More than one manager manages assets that are allocated from one fund.

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. We are also developing an administrative structure for each product group based on differences in market characteristics and profitability. Specifically, we identify and manage each risk associated with insurance underwriting, asset investment and liquidity for each major accounting unit, based on the product characteristics. We set an appropriate assumed interest rate in consideration of asset investment environment and other factors, draw up an asset investment policy taking into account 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 of new products and sale.

The Company also promotes ALM based on the surplus, which means the economic value of an insurance company, or the difference between the fair value of assets and the present value of liabilities. The present value of liabilities is calculated by discounting future cash flows to be generated from policies in force, using the current interest rate, and adding a risk margin (a consideration required for risks relating to policy obligations).

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.

Internal Control and Overall Risk Management

Management Control

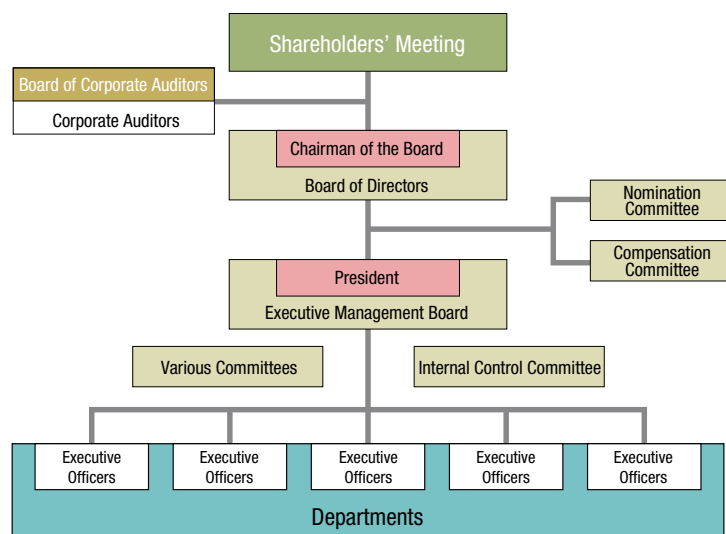
The Board of Directors makes important management decisions and supervises the execution of operations. To separate and thereby strengthen its functions of decision making and supervision on the one hand and operational execution on the other, Dai-ichi has introduced an executive officer system. Executive officers are elected by the Board of Directors and carry out duties assigned by the Board of Directors. Dai-ichi 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 July 1, 2010, Dai-ichi had 12 directors (including two outside directors) and 22 executive officers (including seven officers who are concurrently directors).

To enhance management transparency, Dai-ichi has established a Nomination Committee and a Compensation Committee, each of which

consists of two outside directors, the chairman, deputy chairman, and 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 July 1, 2010, Dai-ichi had 5 corporate auditors (including three outside auditors).

Management Control System



Status of Internal Control Systems

In response to the enforcement of the Companies Act, Dai-ichi has established a Basic Internal Control Policy, which sets 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: 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, 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 grasp the condition of the risk to (1) identify major risks in each business, (2) evaluating the importance of the risks in view of the magnitude of the potential effects and losses they may cause to customers, and (3) assessing risk prevention systems. The Company seeks to mitigate risks and improve operations by developing and introducing measures against risks in order of priority.

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. Protect and manage information assets appropriately, including customer information, shareholder information, important facts, and other unique information
3. Manage risks effectively in accordance with the characteristics of those risks
4. Block any relationships with antisocial forces to prevent any damage that might occur
5. Ensure appropriate operations at subsidiaries
6. Ensure the reliability of financial reports and disclose them appropriately on a timely basis
7. Check the appropriateness and effectiveness of internal control through operational audits

Compliance (observance of laws and ordinances, etc.)

Basic Recognition

Dai-ichi 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 social responsibility and public missions as a life insurance company, Dai-ichi is developing compliance systems to promote compliance in all of its operations, including insurance sales and asset management.

Policies and Regulations Designed to Promote Compliance

Dai-ichi has established Compliance Regulations that set out a basic approach to compliance system and the details of that system. It enforces compliance under its Basic Internal Control Policy, which was developed by the Board of Directors. The Company has also established a Code of Conduct that sets out the specific principles of the behavior of officers and employees under its Basic Management Policy. The Company has created a Compliance Manual that includes explanations of laws and regulations and points to keep in mind in performing operations, in addition to the internal rules for promoting compliance. Distributing the manual to all officers and employees and providing them with training programs, the Company seeks to keep them informed of the internal rules, laws and regulations, as well as other important points. The Compliance Committee holds preliminary discussions on important regulations and manuals, the Executive Management Board discusses them, and the Board of Directors makes decisions. The Company reviewed and refined the Code of Conduct and Compliance Manual in April 2010, adding points that officers and employees need to keep in mind as members of a public company.

Organizational Systems, etc. Associated with Compliance

The Compliance Committee (consisting of relevant officers and department heads) under the Internal Control Committee discusses important matters relating to compliance and consults with the Executive Management Board, President, and the Board of Directors. The Compliance Control Department refines the Companywide compliance system. To ensure compliance and insurance

sales management at branch offices, Dai-ichi has established a Sales Compliance Promotion Center which bolsters the system and gives instructions and support directly to branches. The Company assigns to the Compliance Control Department and Sales Compliance Promotion Center compliance officers who ensure compliance at head office departments and branches, and they manage compliance and insurance sales in cooperation with compliance managers, who are the head of each department or branch.

Important matters associated with compliance that arise in departments and branches are reported through compliance managers to the Compliance Control Department. The Company handles and resolves the matters in the most appropriate way. The Company has established an internal inquiry desk in the Compliance Control Department as a channel through which employees can directly report and consult on compliance matters. To strengthen the system, the Company set up another inquiry desk in April 2010, where outside lawyers directly accept consultations from employees.

To check whether the system works effectively across the board, the Internal Control and Auditing Department conducts operational audits regularly and reports the results of the audits to the Board of Directors and the Executive Management Board.

■ Compliance Promotion

The Board of Directors of Dai-ichi sets out a Compliance Program each year as a specific plan of action for compliance in accordance with the issues identified for each fiscal year. The Company promotes compliance in a plan-do-check-action (PDCA) cycle, in which the Compliance Committee checks the status of each issue in the Compliance Program regularly and reviews the issues as necessary.

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 officers can monitor the effectiveness of compliance promotion.

Information Property Protection

■ Basic Recognition

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

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

The Board of Directors of Dai-ichi has established a Basic Internal Control Policy and, under that policy, information property protection and control regulations. These regulations stipulate basic principles for protecting information property and standards for appropriately protecting information property. Dai-ichi has also created information property protection and control standards, which stipulate standards for specific security measures. Based on the spirit of the Personal Information Law, Dai-ichi has established a Personal Information Protection Policy and a Shareholder Personal Information Protection Policy, which 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, and has posted those policies on its website.

The Company has created a Compliance Manual, an Information Property Protection and Management Manual and a Personal Information Protection Manual, which specify rules and regulations relating to the management and protection of information property and points to keep in mind in the execution of operations. The Company has distributed these manuals to all officers and employees and has provided training programs based on the manuals to keep them informed about the contents of the manuals.

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

The Information Property Protection Committee (consisting of relevant officers and department heads), which has been established as a subsidiary body of the Compliance Committee, discusses important matters relating to the protection of information property and reports the results of the discussions to the Compliance Committee. We have established an Information Security Management Center, a standing 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 department of the head office and each branch, and develops a system for the appropriate protection and management of information property in each organ through compliance managers and compliance promoters, who have been appointed across the board.

The Internal Control and Auditing Department regularly carries out operational audits to ensure that these systems are working effectively throughout the Company and reports the results of the audits 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 and conducting regular inspections of compliance with the rules
- 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 or shareholders request the disclosure of their own personal information, Dai-ichi 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 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 Companywide 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 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 these activities.

Specifically, we classify risks into underwriting risks, investment risks, liquidity risks, operational risks, and system risks. Based on this classification, we have developed risk management structures and rules and we manage our risks in accordance with their specific risk characteristics. We are committed, on a companywide basis, to improving soundness through the management and control of financial fundamentals, including risk volume and capital.

In addition, we have established a crisis management system and a risk management system to respond to catastrophes, to prepare for crises that cannot be handled within the context of our everyday risk management system.

Risk Management Policies and Regulations

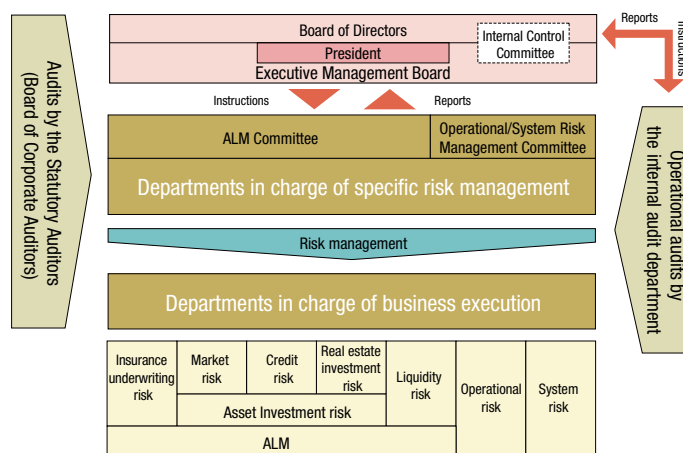
Our Basic Internal Control Policy includes our basic philosophy and policies regarding risk management. The approach used to manage each type of risk is developed in line with our Basic Internal Control Policy. In addition, each of the risk management regulations and standards is translated into practical rules, following the basic risk management policy.

Risk Management Structures

Risks arising from operations are managed at the discretion of the divisions responsible for executing the related operations, in accordance with our Basic Risk Management Policy, and the management of risks is monitored by divisions responsible for checking risk management activities. To strengthen our risk management structure, we have established a Risk Management Department, which manages risks comprehensively, on a companywide basis. Management shares information regarding individual risks at regular meetings of our ALM Committee, Operational Risk Management Committee and System Risk Management Committee, and uses the shared information to guide its decision making. Moreover, our Internal Control and Auditing Department examines the effectiveness and appropriateness of our risk management functions.

Our Board of Directors and Executive Management Board receive reports on risk management, which they use to inform their decisions regarding risk management. Our Corporate Auditors inspect overall risk management, including risk management by our 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 the 61st presentation of these awards in the fiscal year ended March 31, 2010, 10 organizations and 5 individuals were honored. To date, a total of 901 award winners, 595 organizations and 306 individuals, 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.

The achievements of the award winners are wide-ranging, and include medical treatment, local medical care, improvements to the living environment, maternal and child health, health and welfare for senior citizens and the physically challenged, initiatives to address the declining birth rate, and international health. 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 greening plans that are submitted from all over the country. The selected plans are then eligible for subsidies. In the fiscal year ended March 31, 2010, with the 20th presentation of these awards, five organizations that contributed to afforestation were honored. This award has been renamed the "Green Environmental Design Award" in fiscal 2009 and supports initiatives 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". Begun in 1965, this campaign provides first-graders throughout Japan with yellow badges associated with the traffic accident insurance. The aim is to teach children the traffic safety concepts and also to improve driver's awareness. The campaign is hosted by Dai-ichi, Mizuho Financial Group, Inc., Sampo Japan Insurance Inc., and Meiji Yasuda Life Insurance Company. From the beginning of the campaign, the number of recipients of yellow badges has reached 56.61 million.

In the local community, the Dai-ichi employee groups volunteer to take part in various activities, such as cleanups, charity bazaars, welfare facility tours, and fund-raising drives.

Dai-ichi has also established a "Matching Gift" program to give monetary support as donations or as expenses to employee groups. The company is encouraging employee participation in volunteer activities to contribute to the local community.

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 17th VOCA exhibition held in 2010, 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). By supporting the NPO Triton Arts Network (TAN), we are helping to promote music and develop communities. For these activities, Dai-ichi won the Grand Mécénat Award of 2009, which were presented by the Association for Corporate Support of the Arts, Japan.



Sports

In recognition of the ambitious aims of the Japan Tennis Association to train the next generation of top tennis players, Dai-ichi has supported the All Japan Primary School Students Tennis Championships, providing courts, since its inception. The 27th competition was held in fiscal 2009.



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 2009, 3,165 trainees had attended the seminars. FALIA also holds seminars in other countries two or three times a year, totaling 150 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

To help achieve a sustainable society, Dai-ichi is pursuing comprehensive environmental conservation activities, seeking to strike a balance between the development of societies and economies, and the global environment.

Environmental Initiatives for Energy Saving and Resources Saving (Eco Diet Movement)

To save energy and natural resources, Dai-ichi introduced the Eco Diet Movement in fiscal 2009 and has been stepping up its companywide environmental initiatives over the medium and long terms.

■ Energy Saving Activities

Dai-ichi is making comprehensive efforts to help combat global warming, including power saving activities in the real estate and systems divisions. Holding a large inventory of real estate for investment, Dai-ichi is proactively taking steps to save energy, improving the operation of air-conditioning and power-supply facilities at its properties and replacing energy saving equipment in renovation work, in cooperation with property management companies including The Dai-ichi Building Co., Ltd..

■ Initiatives for Natural Resources Saving

● Reducing paper

Dai-ichi uses a large amount of paper when it proposes insurance products and sends notices to customers. However, we have been reducing use of paper, and in fiscal 2009 created a CD-ROM containing insurance policy conditions, curbed use of paper for brochures, proposal documents, office machines. We are considering further possibilities for using less paper and conserving resources in all aspects of our operations in the medium to long term.

● Promoting “green purchasing”

Since fiscal 2009, Dai-ichi has been purchasing, in principle, environmentally friendly office supplies and office automation paper through its in-house purchase system, thereby promoting green purchasing.