



A handwritten signature in black ink, reading "K. Watanabe".

Koichiro Watanabe
President and Representative Director

Introduction

I am pleased to announce that the Dai-ichi Life Insurance Company, Limited (hereinafter “Dai-ichi” or the “Company”) will celebrate the 110th anniversary of its founding this year. I would like to express my sincere gratitude to our many customers and all stakeholders for their long-standing patronage and support.

In the course of our long history, last year we suffered a particularly large number of natural disasters, including the Great East Japan Earthquake and typhoons. Please let me take this opportunity to extend my heartfelt condolences to all those affected. I offer my sincere wishes for their good health and hope that their lives will return to normal in the very near future.

Looking Back on Fiscal 2011

In fiscal 2011, the Company responded to the harsh business environment, including the effects of the Great East Japan Earthquake and the deteriorating financial market conditions stemming from the debt crisis in Europe, by mobilizing our forces. Specifically, the Company focused on providing customers affected by the Great East Japan Earthquake with complete information about procedures for filing claims and benefits and ensuring full payouts on these based on our function as a life insurance company, and promoted efforts toward the sustainable growth of the Dai-ichi Life Group Companies (hereinafter the “Group” or “Dai-ichi Life Group”). These efforts are all based on our current medium-term management plan, “Success 110 Achieve a Recovery and Growth by

Utilizing All Available Resources.”

As a result, the embedded value (EV) of the Dai-ichi Life Group increased by 221.2 billion yen, or approximately 9%, from the end of fiscal 2010, to 2,661.5 billion yen at the end of fiscal 2011, attributable to our management efforts to increase the value of new business and reduce operating expenses, despite the effect of external factors such as lowered interest rates.

Toward the Completion of the Medium-Term Management Plan—Realizing a Recovery and Promoting the Concept of “Passing On Peace Of Mind”

To realize a recovery from the earthquake, the management and employees of the Dai-ichi Life Group were united in rapidly singling out the policies of customers affected by the Great East Japan Earthquake for special handling and ensuring that those customers received their benefits and claims promptly and reliably, while also being receptive to their feelings.

We learned a great deal from these activities, and came to reaffirm the “fundamental principle of life insurance—passing on peace of mind.” The primary purpose of life insurance is to give people a sense of security. We also rediscovered that the most important thing, which reinforces the ties between a life insurance company and its customers, is trust. Believing that everyone in the life insurance business should share this philosophy, that the way to give strong sense of security is to be trusted by as many customers as possible, we plan to pass on peace of mind to our customers.

Toward the Completion of the Medium-Term Management Plan—Realizing Growth

With respect to realizing growth, Dai-ichi has been promoting its efforts in the domestic market based on its “New Total Life Plan.” The New Total Life Plan is an initiative where we strive to become a lifelong partner with our customers by providing products that meet the needs of all age groups as well as a broad range of services, utilizing all available Company channels and making targeted proposals to customers in all phases of the policy cycle. We will continue to meet the many different needs of our customers based on this concept.

In its approach to the market for savings-type products, which are expected to grow in Japan, the Dai-ichi Frontier Life Insurance Co., Ltd., a subsidiary of Dai-ichi, achieved a significant increase in sales volume by focusing on sales of fixed annuity insurance. We will continue to steadily improve profitability by building up the balance of our assets under management through sales of our two pillars—variable annuity insurance and fixed annuity insurance, taking future risks into account.

Meanwhile, in overseas life insurance markets, we have made TAL Limited in Australia our wholly owned subsidiary and have received approval to establish a joint life insurance company in China. The business performance in each country of the Group’s insurance companies has remained firm, as premium income has exceeded last year’s level. As described, we have been expanding our overseas business areas into Australia and China as well as Vietnam, Thailand, and India, by creating lines connecting to points and surfaces connecting to lines, while taking advantage of the experience the Company has gained over the past 110 years by playing a part in Japan’s social security system. We will continue to work on developing new markets, including an early startup of the Chinese business, by enhancing our efforts for growth in each country.

In fiscal 2011, regarding our capital strategy, we maintained sufficient financial strength, with our solvency margin ratio increasing compared to the end of fiscal 2010 as a result of reducing risk assets and increasing unrealized gains on securities due to falling interest rates, although we used some internal reserves from a one-time decrease in deferred tax assets after the reassessment in connection with the reduction of corporate taxes.

In addition to our efforts to increase our financial strength, we will establish an Enterprise Risk Management (ERM) system, a scheme for each

business segment to pursue returns in accordance with the attributes and risks of their business. More specifically, we will maintain and improve periodic income in the insurance business, etc., control risks by reducing the balance of risk assets, and allocate capital to growth areas in a disciplined manner. Through these activities, we will seek to build the optimum business portfolio by growing the insurance business in Japan and overseas and promoting the stable growth of EV, while moderating its fluctuations.

Commemorating the 110th Anniversary of Our Founding

Using the 110th anniversary of our founding as a stepping-stone, the Company is determined to mobilize all available resources, including the 60,000 employees of the Dai-ichi Life Group, to achieve our group vision of “Thinking People First” by leaping forward to the next growth stage, while maintaining our earthquake recovery efforts.

Since we plan to do our best to support our customers as a lifelong partner in order to promote the concept of “Passing On Peace Of Mind,” we hope we can continue to count on the support and patronage of our stakeholders.

