

## Aiming to Become a Global Insurance Group Representing Asia through a Further Leap Forward

I would like to take this opportunity to express my gratitude to our shareholders for their support of Dai-ichi Life Insurance Company, Limited (hereinafter “Dai-ichi” or the “Company” or the “Group”).

In this Annual Report, we explain the Company’s business performance, financial results, and initiatives. We hope our shareholders gain a better understanding of Dai-ichi through this report.

### Looking Back on Our Previous Medium-Term Management Plan, ‘Success 110’

Dai-ichi celebrated the 110<sup>th</sup> anniversary of its founding in September 2012, thanks to the support of our shareholders and other stakeholders. I am deeply grateful for the ongoing patronage and support we have received over the years from our many customers, shareholders, and other stakeholders. In our previous medium-term management plan, *Success 110 Achieve a Recovery and Growth by Utilizing All Available Resources*, we worked toward the important milestone of the 110<sup>th</sup> anniversary of our founding by accelerating business development for new growth while focusing on recovery efforts after the Great East Japan Earthquake.

We rediscover the fundamental principle of life insurance and our mission as a life insurance company when we attend to each of our customers after natural disasters such as typhoons and the Great East Japan Earthquake. Based on our management philosophy, which includes the *Customer First* principle that we have followed since our foundation, we have been working to make sure that our customers receive their insurance claims and benefits. In addition, we have been helping people communicate the thoughts and feelings they have about our life insurance to their family members under the concept of *Passing On Peace Of Mind*, with the aim of becoming a life insurance company that truly supports its customers.

Regarding our business development for growth, we continued to employ our resources in growth areas and to strive to fundamentally improve profitability and efficiency in our existing business areas. In the domestic life insurance business, sales of insurance products remained solid, thanks to the delivery of insurance products to the Third Sector and our new individual savings-type products, as well as the quality of our policies. The efficiency of our fixed costs improved as planned. In The Dai-ichi Frontier Life Insurance Co., Ltd., where products are offered through banks and securities firms, etc., sales remained strong. In the overseas life insurance business, we furthered our business development in Australia (where we made TAL Limited a wholly owned subsidiary) as well as in Vietnam, Thailand, and India. As our business performance steadily improved in each country, each area’s contribution to the consolidated income of the Dai-ichi Life Group also increased. We also developed business in the asset management area, a growth area, by making Janus Capital Group Inc. in the United States our affiliate.

As a result of the above initiatives, Dai-ichi increased revenues and profits for the second consecutive year of our previous medium-term management plan. We also believe that we have built a foundation for the Dai-ichi Life Group to make a further leap forward, as we have mostly achieved the management targets set in this plan. To live up to the expectations of our stakeholders, we believe that we need to build a higher level of sustainable growth going forward.

## Medium-Term Management Plan 2013-15

### **Action D** The Group's Collective Challenges for Achieving Further Growth - Promotion of DSR Management from customers' perspective -

Growth Strategy	<b>D</b> <i>ynamism</i>	Dynamic and flexible strategy-making to adjust to diversifying markets and achieve growth that meets stakeholders' expectations
ERM*	<b>D</b> <i>iscipline</i>	Disciplined decision making through ERM for attaining a capital level on par with leading global life insurers, and an increase in capital efficiency and corporate value
Group Management	<b>D</b> <i>imension</i>	Dimensions added by evolution of the Group's management framework to support growth
Human Capital Development	<b>D</b> <i>iversity</i>	Diversified human capital developed to compete effectively in the global market

\* ERM (Enterprise Risk Management) are activities maximizing corporate value, by developing/executing strategies for optimizing three key factors: (i) Profitability; (ii) Capital; and (iii) Risk.

### Our New Medium-Term Management Plan: 'Action D'

For the three-year period from fiscal 2013 to fiscal 2015, the Dai-ichi Life Group has formulated a new medium-term management plan as our next growth stage: *Action D The Group's Collective Challenges for Achieving Further Growth*.

The name of the framework for the management of value creation in order to achieve our group vision of *Thinking People First* is DSR Management (Note). Based on this framework the Group will take a wide range of steps with a greater tilt toward growth than in the previous medium-term management plan with the aim of realizing consistent and sustainable growth in order to live up to the expectations of our stakeholders.

The basic strategies of *Action D* are composed of four pillars, or four *D*'s.

#### (1) **D***ynamism*

Dynamic and flexible strategy-making to adjust to diversifying markets and achieve growth that meets stakeholders' expectations

#### (2) **D***iscipline*

We will achieve a capital level comparable to that of leading global life insurers. We will also improve capital efficiency and corporate value by formulating strategies appropriate to the status of profitability, capital, and risks, taking into account the types and characteristics of the risks. We will promote Enterprise Risk Management (ERM) to improve capital efficiency and corporate value.

#### (3) **D***imension*

Dimensions added by evolution of the Group's management framework to support growth

#### (4) **D***iversity*

Diversified human capital developed to compete effectively in the global market

(Note) DSR Management is a type of value creation management framework unique to the Dai-ichi Life Group, established to help us achieve the Group's vision of *Thinking People First*.

Standing for *Dai-ichi's Social Responsibility* (the social responsibility of the Dai-ichi Life Group), DSR is a management framework that seeks to increase corporate value by consistently improving the management quality of the Dai-ichi Life Group, in which the life insurance business itself contributes to society.

By regarding the three years when we will be developing under *Action D* as a period in which we will achieve further growth through the combined efforts of the Group, we plan to take a wide range of steps with a greater tilt toward growth by implementing the four *D*'s, which are the basic strategies of our DSR Management.

Based on *Action D*, we will resolutely carry out our mission of delivering the concept of *Passing On Peace Of Mind* to our customers based on our unchanging management philosophy of *Customer First*. We will continue to stand by the side of our customers for life not only in Japan but even when we develop business globally. At the same time, with the aim of becoming a global insurance group representing Asia, we are determined to continue to make vigorous efforts to achieve sustainable growth.

As we pursue these initiatives, we hope we can continue to count on the support and patronage of our stakeholders.



Koichiro Watanabe  
President and Representative Director

