

History of the Dai-ichi Life Group

The Dai-ichi Life Insurance Company was established in 1902 by Tsuneta Yano as Japan's first mutual life insurance company. Our "Policyholder First" management philosophy since our foundation remains unchanged, and we aim to stand by our customers' side for life based on our concept of "Passing On Peace Of Mind." To put this philosophy into practice, we have repeatedly transformed ourselves in keeping up with changes of the times and changes in customers' lifestyles. We would like to introduce the challenges we have faced and the over 110-year history of the Dai-ichi Life Group.

Birth of a mutual life insurance company, Dai-ichi Life (foundation in 1902-1940s)



Founder Tsuneta Yano

In Japan, the first life insurance company was established in 1881, followed by the birth of a series of insurance companies. However, it was Tsuneta Yano, who later became the founder of Dai-ichi Life, who had continual passion for realizing a customer-oriented life insurance company. Yano believed that a mutual company able to return company profits to policyholders demonstrated an ideal customer-oriented business style, and announced the results of his own studies in a number of papers. He also worked hard to seek wide approval for establishment of a mutual company from leading figures in political and business circles and was committed to realizing an ideal life insurance company by participating in drafting the insurance act as the deputy director of the Insurance Division in the Ministry of Agriculture and Commerce to develop a legal system for the establishment of a mutual company. Yano, who had built the foundations for the birth of a mutual company in Japan in this way, established the Dai-ichi Mutual Life Insurance Company, Japan's first mutual company, in 1902.

Yano built the foundation of the present Dai-ichi Life as president and chairman from 1915 to 1946, and declared the characteristics of Dai-ichi Life since its foundation as follows: "Solid management, a customer-first mentality, strict selection and generous

payment, and try to become the best rather than the largest." With its efforts to give first priority to the convenience of customers, raising credibility among customers, the Company, which had been ranked 12th in the industry in 1911, made rapid progress to become second largest in 1932.

From adverse circumstances after World War II to development under high economic growth (1940s-1980s)

Socioeconomic circumstances changed drastically due to the outbreak of the Pacific War, and the Company lost many of its employees and offices and all of its assets in overseas territories. Although the Company struggled to reconstruct itself after the war, as represented by the seizure of the Dai-ichi Mutual Life Insurance Building in Hibiya, Tokyo, which remained unburned, by the General Headquarters of the Allied Powers (GHQ), it developed its business steadily driven by the subsequent high economic growth.

From 1956, when a white paper on economics declared the post-war period over, life insurance became widespread in the public, riding the wave of high economic growth. The Company also reformed its sales organization to respond to changes in the market and promoted expansion of new policies sold by focusing on an increase in sales representatives through recruitment of a large number of staff, centering on housewives, and by laying the foundations of today's Total Life Plan Designer system.



Old Dai-ichi Life Insurance Building

As the high economic growth also changed the socioeconomic environment, needs for life insurance began diversifying due to growth in life expectancy and growth in the trend of nuclear families. In light of such environmental changes, the Company developed and provided products in a timely manner, accurately comprehending changes in demand in ways such as selling new corporate pension products for corporate customers and reducing rising insurance costs by combining term insurance with endowment insurance for individual customers. As a result, policy amount in-force grew to ¥10 trillion in 1970.

When the Japanese economy entered a stable growth period in which the growth seen in personal income in previous times became unlikely while the crisis of the social insurance system triggered concerns due to increased pension benefits and medical expenses associated with the aging population and needs for lifelong benefits, and preparation for funds and medical expenses after retirement increased among the people, the Company promoted diversification of its insurance products. This was tailored to needs, regarding whole life insurance with term riders as one of the mainstay products, by launching new individual annuities and improving medical compensation mainly using riders. Policy amount in-force as a result came to exceed ¥100 trillion in 1983.

Efforts to improve management quality and enter growth markets (1980s-2009)



Winner of Japan Quality Award

The so-called economic bubble said to have started to grow at the end of 1986 accelerated sales of savings-type products and boosted stock and land prices, which increased the Company's total assets. In 1990, however, stock prices collapsed, and land prices also took a downward turn the following year, forcing many life insurance companies to decrease their policyholder dividends. In this environment, the Company started a new sales representative

system focusing more on the cultivation of sales representatives in fiscal 1992, and shifted to an asset structure more resistant to changes in stock prices by accumulating fixed-income assets such as bonds and loans in its portfolio. However, unable to escape the impact of the rapid economic downturn, the new policy amount of the Company turned to a downward trend in fiscal 1992, and policy amount in-force did so in fiscal 1997.

Under such circumstances, the Company established a concept of a Total Life Plan in which we provide our customers with peace of mind for their entire lifetime. We have been focusing on developing human resources with advanced consulting abilities, the launch of new products, and follow-up with existing policyholders, to promote the Total Life Plan. The Company, which had been working to construct a framework to promote the Total Life Plan, giving first priority to the customer's perspective in response to the changes in the operating environment, while striving to improve its management quality, received the Japan Quality Award in 2001 for the first time in the history of the financial and insurance industry on the grounds that its principle of Total Life Plan based on its management philosophy of Customer First was valued highly.

Amid financial deregulation trends, the environment surrounding the life insurance business also underwent major changes. Deregulation progressed further under the new Insurance Business Act enforced in 1996 and the Financial System Reform Law enforced in 1998, and competition and liberalization progressed across sectorial boundaries in the financial industry. As movements toward alliances and integration became active, the Company formed an alliance with The Industrial Bank of Japan (now Mizuho Financial Group, Inc.) in 1998 and with Yasuda Fire and Marine Insurance (now Sompo Japan Insurance Inc.) and American Family Life Assurance Company of Columbus ("AFLAC") in 2000 to provide the best products against all risks. With respect to the lifting of the ban on sales of insurance products at banks (bancassurance), we founded Dai-ichi Frontier Life, Japan's first life insurance subsidiary established by a life insurance company, in 2006 to begin over-the-counter sales of life insurance products including variable annuities at banks and securities companies.

As it became difficult to draw up continuous growth strategies only in the domestic protection-type insurance market given structural changes such as the aging population and declining birth rate, the Company acquired Bao Minh CMG in Vietnam in 2007 to begin sales activities as Dai-ichi Life Insurance Company of Vietnam, Limited ("Dai-ichi

Life Vietnam”). In 2008, we invested in Ocean Life Insurance Co., Ltd. (now OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED) (“Ocean Life”) in Thailand and TOWER Australia Group Limited (now TAL Dai-ichi Life Australia Pty Ltd) (“TAL”) in Australia and made them our associate companies. In 2009, Star Union Dai-ichi Life Insurance Company Limited (“Star Union Dai-ichi Life”), a joint venture life insurance company with two local state-owned banks in India, began operations. As such, the Company worked to accelerate business operations in overseas life insurance markets.

**New foundation:
Toward a new leap forward
(2010-)**



Ceremony for listing on the Tokyo Stock Exchange

In April 2010, the Company that was established as Japan’s first mutual company changed its organizational structure to a stock company able to take more flexible business strategies, and took the first step for a new leap forward as The Dai-ichi Life Insurance Company, Limited to further promote its management philosophy of Customer First. Regarding April 1, 2010 as a new foundation, we continue to carry out our social mission of the life insurance business with the aim of standing by our customers’ side for life as an insurance company providing them with peace of mind for their entire lifetime, fulfilling our management philosophy since the foundation of Customer First.

In domestic businesses, as customer needs diversify, we plan to take steps to develop new markets by making Sompo Japan DIY Life Insurance Co., Ltd. (“Sompo Japan DIY Life”) a wholly owned subsidiary in August 2014, for the purpose of meeting needs of customers who intend to choose insurance by independently comparing different products by utilizing sales channels such as the store-visit model.

In the overseas life insurance business, we made TOWER Australia Group Limited (now TAL), which had been our associate company, a wholly owned

subsidiary in 2011 and made PT Panin Life (now Panin Dai-ichi Life) and its parent PT Panin Internasional in Indonesia our associate companies in 2013. In June 2014, we reached a basic agreement with Protective Life in the United States on commencing procedures for its acquisition. With this as a steppingstone, we plan to enter the US life insurance market, adding to our current positions in Japan and Asia-Pacific.

The Dai-ichi Life Group will continue to take on challenges to become a global insurance group as a company “Thinking People First” in Japan and overseas by accurately comprehending changes in the economic environment and the social structure and more diversified customer needs.