

## Medium-Term Management Plan ‘Action D’ for Fiscal 2013 to Fiscal 2015

The Company is working on its medium-term management plan, *Action D The Group’s Collective Challenges for Achieving Further Growth*. DSR Management is the name for our framework for value creation management to achieve our Group vision of *Thinking People First*. We aim to realize continual and sustainable growth based on this framework in order to live up to our stakeholders’ expectations. We take a broad range of measures with a greater inclination for growth based on our basic strategies consisting of the four Ds.



### ■ Growth Strategy [Dynamism]

**Dynamic and flexible strategy to react to diversifying markets and achieve growth that meets stakeholders’ expectations**

- **Implement growth strategy to increase our share of the domestic life insurance market**

We launched the By your side, for life – With You Project<sup>\*1</sup>, a growth strategy in Japan to provide all our customers with security and peace of mind and complete health support unique to Dai-ichi Life through life insurance products and services. We will also promote our initiatives to launch competitive savings-type products in an agile manner at Dai-ichi Frontier Life to meet diversifying customer needs and develop new markets through a new subsidiary<sup>\*2</sup>.

We will strive to create synergy through sales promotion activities as a Group such as collaboration between Dai-ichi Life and Dai-ichi Frontier Life and DIAM. We will also continue to take steps to improve the efficiency of fixed costs by pursuing optimal cost structure to increase our competitiveness.

\*1: See page 17 for details.

\*2: See page 20 for details.

- **Accelerate business development and increase the contribution to profits in overseas life insurance markets**

We aim to build a regionally diversified overseas business portfolio over the medium term, taking into account growth potential and profitability. We will also strive to increase our value in countries where we have already made investments. We will upgrade our business management framework and infrastructure, creating a system for specialized human resources and expertise in a way that can be shared throughout the Group.

- **Expand the contribution to profits in the asset management area**

We will promote investments in growth areas and aim for profit growth in our asset management business. We will also endeavor to secure additional revenues by promoting our ALM operation and dynamically managing our assets.

### ■ ERM\* [Discipline]

#### **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**

We will strive to achieve a capital level comparable to that of leading global life insurers. We will also endeavor to increase our capital efficiency and corporate value and enhance returns to shareholders by reallocating capital.

\* See page 27 for details.

### ■ Group Management\* [Dimension]

#### **Dimensions with evolution of the Group's management framework to support growth**

We aim to strengthen our business management framework to accelerate the growth of the Group and

quickly make decisions with the Group Management Headquarters\* as the core function, setting our sights on enhancing our overseas regional control function and a shift to a holding company system in the future. We plan to maximize our corporate value by sharing our principles and strategies with our Group companies.

\* See page 28 for details.

### ■ Human Capital Development\* [Diversity]

#### **Diversified human capital developed to compete effectively in the global market**

We promote diversity and inclusion to create new value and sustain the Group's continuous growth by mutually accepting diversified human capital. Notably, we are accelerating our efforts to promote the active participation of women in the workplace.

\* See page 29 for details.

## Growth Strategy (Dynamism)

### Growth Strategy in Japan

#### **By your side, for life – With You Project**

Since our founding in 1902, we have been working to deliver the security and peace of mind that leads to the next generation, looking at each customer's present and future, by setting up the management philosophy of *Customer First – By your side, for life*. And now the social environment is changing drastically and the lifestyle and values of individuals are growing increasingly diverse.

It is precisely for this reason that we believe we should stand by the side of our customers for life.

Based on this philosophy, we promote the By your side, for life – With You Project, in which we will support the healthy life with peace of mind of individual customers with optimal products and services in accordance with their life stages, supported by the strong team work of all Dai-ichi Life officers and employees, with their high level of expertise, including our Total Life Plan Designers.

In our domestic growth strategy By your side, for life – With You Project, we provide individual customers with security and peace of mind and complete health support unique to Dai-ichi Life through life insurance products and services, our core business, supported by the strong teamwork of all officers and employees, who have a high level of expertise, including our Total Life Plan Designers.

#### **By your side, for life – With You Project Security and Peace of Mind**

**The role of insurance is fulfilled at the very moment customers receive their insurance claims and benefits.**

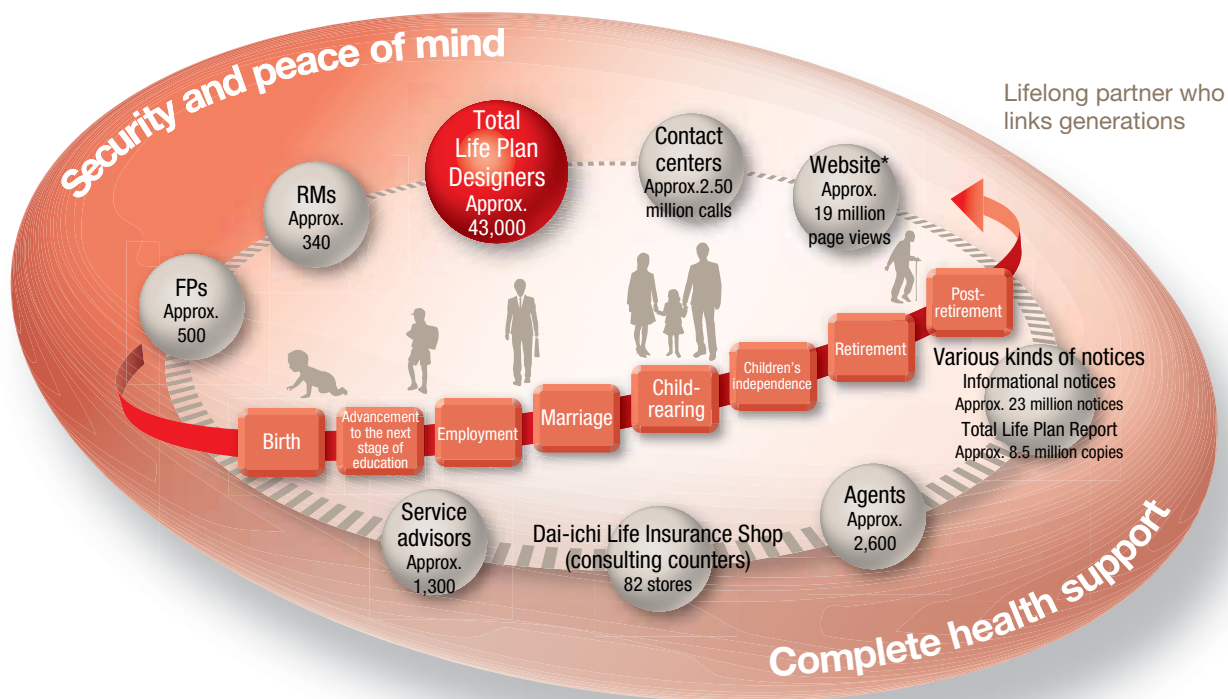
In the By your side, for life – With You Project, to fully assume the essential role of insurance we provide our customers with security and peace of mind by endeavoring to further improve our insurance procedures from a customer-based perspective, from the confirmation of the details of their policies, to the requests, reception and use of claims and benefits, their remittance and their effective use.

#### ■ **Well-prepared handling when customers receive their insurance claims and benefits**

We seek to be more helpful and useful for our customers in making sure they receive their insurance claims and benefits promptly and accurately by improving the provision of information and consulting on related social security and tax systems.

- Reception of the entire amount on the day procedures are taken, at the earliest Quick Reception Service

Note: We also provide the following services at the customer's request. Simplified Death Benefit Receiving Service in which customers are able to receive a death benefit of up to ¥5 million even if public documents are submitted on later dates. Death Benefit Delivery Service in which our staff delivers the customer's death benefit of up to ¥5 million in cash.



\* Number of page views from April 2013 to March 2014.

Security and peace of mind	Complete health support	Response to diversifying customer needs
Well-prepared handling when customers receive their insurance claims and benefits	Health support services for customers	Bancassurance of life insurance products at financial institutions by Dai-ichi Frontier Life
Secure after-sale services during the contract period	Promoting the health of people in local communities	Sales of simple life insurance products to develop new markets by new subsidiary
Uniform and high-quality consulting suitable to the lifestyle of customers at the time of contract		
Development of <i>products to live</i> that are useful for customers		

- Payment using a life insurance trust  
*Omoi no Teikibin* (regular death benefit payment service) is a trust product of Mizuho Trust & Banking, and Dai-ichi Life provides an intermediary service as a trust contract agent of Mizuho Trust & Banking.
- Support for the use of adult guardianship when it is difficult for customers to make an insurance claim on their own due to dementia, etc. (Adult Guardianship Support)
- Easy-to-understand consulting on social security and tax systems
- A financial planner (FP) with considerable knowledge about inheritance-related issues assigned to all of our 84 branch offices

#### ■ Secure after-sale service during the contract period

The Company implements a Periodical Insurance Information Check once a year. We will also continue to work to develop a procedure assistance system and improve the level of our request guidance service, from a customer-based perspective.

- Implement Periodical Insurance Information Check
- Quick Withdrawal Telephone Service

### ■ Uniform and high-quality consulting suitable to the lifestyle of customers at the time they take out insurance

As a lifelong partner who links generations, we will explain the social security system in an easy-to-understand manner, using a mobile PC.

- Support customers with the teamwork of staff possessing a high level expertise, including consulting by Total Life Plan Designers.
- Explain useful information on health, medical services, nursing care, etc. in an easy-to-understand manner, using the DL Pad, our original tablet for sales and business use.

### ■ Development of *products to live* useful for customers

The Company has been launching a number of products meeting customer needs ahead of the industry, focusing on *protections to live* in response to the aging population and progress in medical technologies. We released two new products, Bright Way and Crest Way, mobilizing the product development expertise we have accumulated.

- Comprehensive insurance able to flexibly respond to various risks of customers in a wide age range
- Nursing care and medical services-oriented insurance able to prepare nursing care benefits, etc. for one's lifetime with low premiums

## By your side, for life – With You Project Complete Health Support

Since our founding, we have provided our customers with peace of mind through life insurance products and services, our core business, and promoted initiatives to support the health enhancement of our customers from the perspective of complementing the social security system. We will continue to provide complete health support unique to Dai-ichi Life.

### ■ Support a healthy and comfortable life (services for individual customers)

We will improve our support system for health and medical services, childrearing and nursing care ranging from daily health support to guidance on specialized medical services and second opinions. We will continue to pursue health support services that only Dai-ichi Life can provide.

- Comprehensive collaboration arrangement with the National Cancer Center, Japanese Foundation for Cancer Research and National Cerebral and Cardiovascular Center
- Medical support service

### ■ Support a healthy and comfortable life (services for corporate customers)

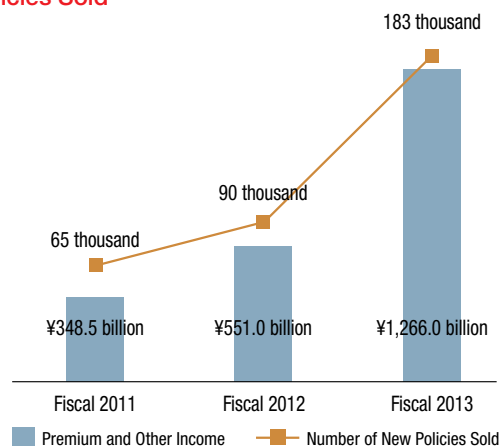
For corporate customers, we will also expand our services for their health through the Dai-ichi Life Health Support Desk and support the strengthening of benefit programs of companies as a life insurance company.

## Initiative in Savings-Type Product Market

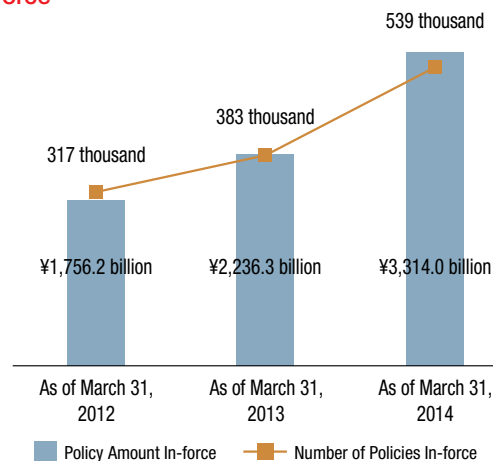
The life insurance market in Japan is being shaped by significant environmental and structural changes, such as demographic shifts associated with the declining birth rate and the aging society. Many baby boomers have retired from supporting their companies and families, and have begun their second

### ● Dai-ichi Frontier Life – Main Financial Results

#### Premium and Other Income and Number of New Policies Sold



#### Policy Amount In-force and Number of Policies In-force



lives. Consequently, demand for asset building to maintain a robust retirement and for asset succession to beloved family members has been growing.











To bolster our operations in the savings-type product market, which we position as a growth area, our subsidiary Dai-ichi Frontier Life commenced operations in October 2007. This subsidiary sells single premium savings-type products, such as annuity insurance and whole life insurance, through banks, securities companies and other financial institutions.

To effectively meet diversified customer needs we are endeavoring to expand our product lineup. As of July 2014, we have realized a broad-ranging, well-balanced product lineup by preparing a total of 10 types of products in the categories of annuity insurance and whole life insurance.

In fiscal 2013, premium and other income amounted to ¥1,266.0 billion, reaching a record high since our founding thanks to strong sales of foreign-currency- and yen-denominated whole life insurance, yen-denominated whole life insurance and variable annuity insurance products. Policy amount in-force stood at ¥3,314.0 billion.

We will continue to provide high-quality products and services responding to customer needs in a timely manner.

## ● Major products of Dai-ichi Frontier Life

Annuity insurance	Variable	Japanese yen-denominated	 
		Foreign currencies-denominated	
	Fixed amount	Japanese yen-denominated	
		Foreign currencies-denominated	
Whole life insurance	Variable	Japanese yen-denominated	
	Fixed amount	Japanese yen-denominated	 
		Foreign currencies-denominated	 

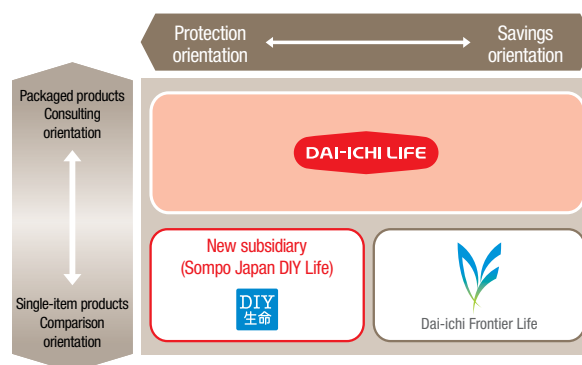
Note: The products above are major ones handled by Dai-ichi Frontier Life.

## Efforts to Develop New Markets Through New Subsidiary

In recent years, in addition to savings-type insurance, sales of protection-type insurance through bancassurance channels increased reflecting diversifying customer needs. In addition, customers who prefer to choose insurance by independently comparing different products by visiting walk-in shops, are also increasing.

To improve our efforts to meet such customer needs, we plan to provide new products and services through channels such as bancassurance and store-visit-type insurance stores in the second half of fiscal 2015, with Sampo Japan DIY Life Insurance Co., Ltd. ("Sampo Japan DIY Life") as a new subsidiary.

## Markets to be covered by the new subsidiary





## Efforts for Business Alliance

We are striving to strengthen our business competitiveness in Japan by constructing a framework to provide non-life insurance, cancer insurance and other financial products and services that will contribute to the Total Life Plan of individual customers by formulating strong partnerships with our business alliance partners.

### ■ Mizuho Financial Group

In our full-scale business alliance with Mizuho Financial Group, we have been steadily achieving results primarily in the financial sector by establishing joint ventures such as Mizuho-DL Financial Technology Co., Ltd., which researches and develops advanced financial technologies, and DIAM Co., Ltd. In the bancassurance business we sell the individual annuity products of Dai-ichi Frontier Life at companies affiliated with Mizuho Financial Group (Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities). We also exchange human resources by sending Dai-ichi Life staff with consulting expertise in life insurance to Mizuho Financial Group.

### ■ Resona Holdings

In our business alliance with Resona Holdings, we plan to strengthen the business competitiveness of both companies by offering better products and services in the insurance field to meet the increasingly sophisticated and diversified needs of our customers.

In the bancassurance business we sell the individual annuity products of Dai-ichi Frontier Life at companies affiliated with Resona Holdings (Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank). We also exchange human resources by sending Dai-ichi Life staff with consulting expertise in life insurance to Resona Holdings.

### ■ Sompo Japan Insurance

In our full-scale business alliance with Sompo Japan Insurance\* ("Sompo Japan"), we seek to form the "strongest and most comprehensive life and non-life insurance group" with them as an equal partner, while maintaining the uniqueness of both companies.

In non-life insurance we aim to improve customer satisfaction by selling auto insurance products, taking advantage of Sompo Japan's strong brand and products and its dependable accident response system.

In the life insurance area, Sompo Japan agents sell Dai-ichi Life products (in the First Sector, death protection products) to complement and strengthen the product lineup of the Sompo Japan Group.

\* Sompo Japan Insurance became Sompo Japan Nipponkoa Insurance Inc. on September 1, 2014 by merging with Nipponkoa Insurance Co., Ltd.

### ■ AFLAC

In our business alliance with American Family Life Assurance Company ("AFLAC"), we seek to form the 'strongest partnership in the First and Third Sectors (death protection insurance and medical insurance)' as an equal partner, leveraging the strengths of both companies while maintaining their distinctiveness.

In cancer insurance we sell AFLAC's products that are customized for the Total Life Plan of individual customers proposed by Dai-ichi Life.

## Initiatives in the Overseas Life Insurance Business

We are working to accelerate the operation of overseas businesses for growth.

Through our overseas subsidiaries and affiliated companies, we contribute to the promotion of life insurance and the development of the life insurance market, and seek to expand our businesses from a medium and long-term perspective according to the economic development of each country. We are also contributing more to Group business by sharing the life insurance expertise we have accumulated over the past 110 years and pursuing added value based on greater cooperation among our overseas subsidiaries and affiliated companies.

### Star Union Dai-ichi Life (India)



Winning of the Award for Excellence in Financial Reporting of the Institute of Chartered Accountants of India (Bronze Award in the Insurance Sector)

Number of employees<sup>\*1</sup>

**2,582**

Actual premium income<sup>\*2, \*3</sup>

**7,375 million rupees**  
(12.6 billion yen)

Year on year  
**+10.4%**

Market share / ranking<sup>\*4, \*5</sup>

**2.4% / 10th**

### Ocean Life (Thailand)



Sales managers conference

Number of employees<sup>\*1</sup>

**2,007**

Actual premium income<sup>\*2, \*3</sup>

**13,084 million baht**  
(41.8 billion yen)

Year on year  
**-8.6%**

Market share / ranking<sup>\*4</sup>

**3.1% / 8th**

### Panin Dai-ichi Life (Indonesia)



Signing ceremony with PT Panin Life

Number of employees<sup>\*1</sup>

**260**

Actual premium income<sup>\*2, \*3</sup>

**3,294.9 billion rupiah**  
(28.3 billion yen)

Year on year  
**+45.7%**

Market share / ranking<sup>\*4</sup>

**2.9% / 11th**

## Protective Life (USA)



CEO of Protective Life Corporation  
and President of Dai-ichi Life

United States

## Dai-ichi Life Vietnam (Vietnam)



Customer counter at the head office

Number of employees\*1

**583**

Actual premium income\*2, \*3

**1,857.3 billion dong**  
(9.2 billion yen)

Year on year  
**+25.6%**

Market share / ranking\*4

**8.0% / 4th**

## TAL (Australia)



New office building of TAL (relocated in June 2013)

Number of employees\*1

**1,467**

Actual premium income\*2, \*3

**2,316 million Australian dollars**  
(220.5 billion yen)

Year on year  
**+24.2%**

Market share / ranking\*4

**14.7% / 1st**



## Dai-ichi Life Vietnam (Vietnam)

In January 2007, Dai-ichi Life acquired Bao Minh CMG, a life insurance company in Vietnam, which commenced operations as Dai-ichi Life Insurance Company of Vietnam, Limited (“Dai-ichi Life Vietnam”). This was the first instance of a Japanese life insurer operating in Vietnam.

With the life insurance market in Vietnam growing rapidly, the premium income of Dai-ichi Life Vietnam increased faster than the market since the acquisition, reaching 5 times its pre-acquisition level in fiscal 2006. The company’s market share has also expanded from 4.4% in fiscal 2006 to 8.0% in fiscal 2013. In fiscal 2013, initiatives of The Dai-ichi Life Vietnam were also highly and broadly regarded in Vietnam. This was demonstrated in the company receiving the Vietnam Prime Minister’s Award, which is presented to a corporation or individual that makes an outstanding effort in the areas of business, social contribution, environmental protection or education, from the Vietnamese government, as well as the CSR Award in the 17th Asia Insurance Industry Awards, organized by the *Asia Insurance Review*, a professional journal for the insurance industry in Singapore. This was the first time a Vietnamese insurance company (life or non-life) won this award.

## TAL (Australia)

In May 2011, TOWER Australia Group Limited, an associate company of Dai-ichi Life, became a wholly owned subsidiary of Dai-ichi Life through a friendly acquisition scheme, and subsequently changed its corporate name to TAL Limited in June 2011. In June 2012, we transferred the function of TAL Limited to its holding company TAL Dai-ichi Life Australia Pty Ltd. (“TAL”) to improve management efficiency. We also worked to continually increase the corporate value of TAL by promoting improvement of its sales channels in ways such as acquiring NFS Group, an online broker in Australia, to make it TAL’s wholly owned subsidiary in October 2013.

TAL takes strategies specializing in protection-type products and is expanding its share of the life insurance market (for protection products) in Australia, growing to become the largest life insurer in terms of annualized premium in force at the end of December 2013. We plan to support TAL’s growth more than ever by further strengthening our cooperation through the exchange of human resources.

## Panin Dai-ichi Life (Indonesia)

In October 2013, Dai-ichi Life made PT Panin Life and PT Panin Internasional, the parent company of PT Panin Life, our associate companies. In November 2013, PT Panin Life changed its corporate name to PT Panin Dai-ichi Life (“Panin Dai-ichi Life”).

Panin Dai-ichi Life, a life insurance company in the Panin Group, a leading local financial group, is currently growing its business through multiple sales channels, including individual agents, bancassurance, and direct sales, while diversifying into other sales channels. Panin Dai-ichi Life has been expanding its presence in the Indonesian market, as it increased its premium income by 45.7% from the previous fiscal year, a higher growth rate than the market, and boosted its industry ranking from 15th in 2009 to 11th in 2013.

## Star Union Dai-ichi Life (India)

Star Union Dai-ichi Life Insurance Company Limited (“Star Union Dai-ichi Life”), a joint life insurance company established in conjunction with two local state-owned banks, commenced operations in February 2009. This was the first time a Japanese life insurance company had entered the life insurance business in India.

Focusing on selling insurance through its joint partners, the two major local state-owned banks, Star Union Dai-ichi Life is ranked 10th out of 23 private life insurance companies in ranking of first-year premiums (January-December 2013), with the annualized premium being 7,375 million rupees (¥12.6 billion) in fiscal 2013, the fifth year since its founding.

## Ocean Life (Thailand)

In July 2008, Dai-ichi Life agreed to take an equity stake in Ocean Life Insurance Co., Ltd. (now OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED) (“Ocean Life”) and form a strategic business alliance. Ocean Life subsequently became Dai-ichi Life’s affiliate in the same year.<sup>\*6</sup>

Since then, we have been cooperating with Ocean Life on an ongoing basis, in ways such as improving the sales abilities of individual agents, to increase the corporate value of Ocean Life. In fiscal 2013, its insurance premium income was ranked eighth out of 24 life insurance companies in the industry. In addition, Ocean Life is rated highly in Thailand, and won the Excellent Insurance Company Award, which is given to insurance companies that are operated efficiently and have excellent corporate management, for the third consecutive year.

## Protective Life (USA)

In June 2014, we entered into a definitive agreement to acquire 100% of the outstanding shares of Protective Life Corporation (“Protective Life”), a U.S. life insurance group listed on the New York Stock Exchange. By acquiring a foundation in the largest life insurance market in the world, we will accelerate the globalization of our business and diversify our business geographically. Subject to approval from Protective Life’s shareholders and from the relevant regulatory authorities in Japan and the United States, Protective Life is expected to become a wholly owned subsidiary of Dai-ichi Life by the end of fiscal 2014.

\*1: As of the end of March 2014. Excluding staff in sales channels. However, staff involved in direct sales of TAL are included in the number of employees.

\*2: The period is January-December 2013 for Dai-ichi Life Vietnam, Panin Dai-ichi Life, Star Union Dai-ichi Life and Ocean Life, and April 2013-March 2014 for TAL. Actual premium income is premium and other income for Dai-ichi Life Vietnam, TAL, Panin Dai-ichi Life and Ocean Life, and annualized premium income for Star Union Dai-ichi Life.

\*3: Currencies are converted based on the following exchange rates: 1 dong = ¥0.005, 1 Australian dollar = ¥95.19, 1 rupiah = ¥0.0086, 1 rupee = ¥1.72 and 1 baht = ¥3.2.

\*4: The basis of comparison is premium and other income for the Vietnamese, Indonesian and Thai markets, annualized premium of policies in force for the Australian market (protection-type insurance market) and first-year premium for the Indian market. The period of comparison is January-December 2013 for the Vietnamese, Indonesian, Indian and Thai markets, and the end of December 2013 for the Australian market.

\*5: The market share and ranking are among private life insurance companies, excluding the state-owned Life Insurance Corporation of India (LIC), in which the Indian government has a 100% stake.

\*6: Ocean Life Insurance Co., Ltd. changed its name to OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED in July 2012, due to its reorganization from a nonpublic stock company to a public stock company.

## Initiatives for the Asset Management Business

Regarding the asset management business, the Company is working to develop business in this growth area.

We aim to benefit from the growth potential of the market by actively participating in the asset management market through our affiliates in Japan and overseas, where high, sustainable growth is expected against the backdrop of an aging population, global population increase, and measures (mainly in developed countries) promoting individual asset building.

We have also made inroads into the asset management business overseas by taking a stake in Janus Capital Group Inc. in the United States in fiscal 2012. We plan to further bolster our efforts in the asset management business, using it as a driver to support the sustainable growth of the Group over the medium and long term, along with our efforts in the overseas life insurance business.

### ■ DIAM Co., Ltd.

In October 1999, Dai-ichi Life Asset Management Co., Ltd., IBJ NW Asset Management Co., Ltd. and IBJ Investment Trust Management Co., Ltd. merged to form DLIBJ Asset Management Co., Ltd., which was then renamed DIAM Co., Ltd. ("DIAM") in January 2008.

DIAM has been building a track record, mainly in the pension and investment trust businesses, as an asset manager in which the Company and Mizuho Financial Group, Inc. have a 50-50 stake. The balance of assets under management is ¥8.9 trillion (as of the end of March 2014) in the investment advisory business and ¥5.1 trillion (as of the end of March 2014) in the investment trust business, both of which boast one of the largest assets under management in Japan. DIAM, as well as the funds DIAM manages, is also highly regarded by external evaluation organizations for its strong investment capabilities, as it has been winning various prizes every year from



Awarded various prizes for excellent investment performance

Morningstar and Lipper, etc., which recognize those asset managers and funds that exhibit excellent investment performance.

Number of employees*	Assets under management*	
		Year-on-year change
425	¥14.0 trillion	+19.0%

\* As of March 31, 2014

### (Major awards)

- DIAM: Morningstar Award Fund of the Year 2013, Alternative and Balanced Fund Division, Excellent Fund (received in 2014)
- DIAM: Lipper Fund Awards Japan 2014, 'Japanese Medium and Small-Cap Stock Fund (over 5 years),' Best Fund (received in 2014)
- DIAM: Lipper Fund Awards Japan 2014, 'Japanese Yen Bond Fund (over 10 years),' Best Fund (received in 2014)

### ■ Janus Capital Group Inc.

After entering into a capital and business alliance agreement in August 2012 with Janus Capital Group Inc. ("Janus"), a US-based asset manager, we took a 19.9% stake in Janus in January 2013 to make it our affiliate. The United States is the world's largest asset management market, and medium and long-term growth is expected against the backdrop of the growing retirement population. Janus has established a solid brand in the US market based on its competitiveness and wide-ranging sales network, particularly in its stock investments.

Since we entered into this business alliance, we have been working to develop specific alliance initiatives, including a Janus mandate, dispatching human resources, and selling Janus's products in Japan in collaboration with DIAM, our affiliate, so that we can maximize our alliance with Janus and Janus's corporate value.



Commemorative photo upon the CEO's arrival in Japan



Number of employees*1	Assets under management*1, *2	
		Year-on-year change
1,194	US\$173.8 billion (¥18.3 trillion)	+10.9%

\*1: As of December 31, 2013

\*2: Currencies are converted at ¥105.39 to the US dollar.

### (Major awards)

- Janus: Lipper Fund Awards 2014, 'Global Healthcare & Biotechnology Fund,' Best Fund (received in 2014)
- Janus: Lipper Fund Awards 2013, 'Global Multi-Cap Value Fund (over 5 years),' Best Fund (received in 2013)

# ERM (Discipline)

The Company is striving to achieve a capital level comparable to that of leading global life insurers, and to improve its capital efficiency and corporate value by promoting ERM.

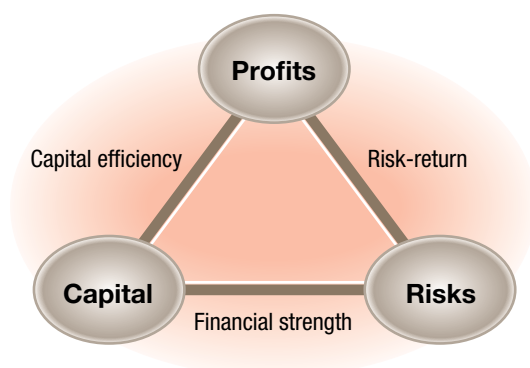
## Promotion of ERM

The Company promotes ERM (Enterprise Risk Management) across the Group. The Company promotes ERM (Enterprise Risk Management) across the Group.

### What is ERM?

ERM is a risk management approach to promote business activities by formulating a management plan and a capital strategy in accordance with a company's capital conditions, risks, and profits. In other words, it aims to achieve strategic targets by properly controlling capital, risks, and profits, taking into consideration the source, types, and characteristics of risks.

### Relationship Between Capital, Risks, and Profits



### Achieving a capital level comparable to that of leading global life insurers

By the end of fiscal 2014, the Company aims to achieve a capital level on an economic value basis that will allow it to weather risks assumed to only occur once every 2,000 years by developing new policies and reducing risks, taking market trends into account.

### Improving capital efficiency and corporate value

The Company plans to improve its capital efficiency and realize stable growth in its corporate value as represented by its embedded value\* by putting into practice initiatives such as improving its risk/return relationship and allocating capital into growth areas in a disciplined manner, taking into account the characteristics of each business line.

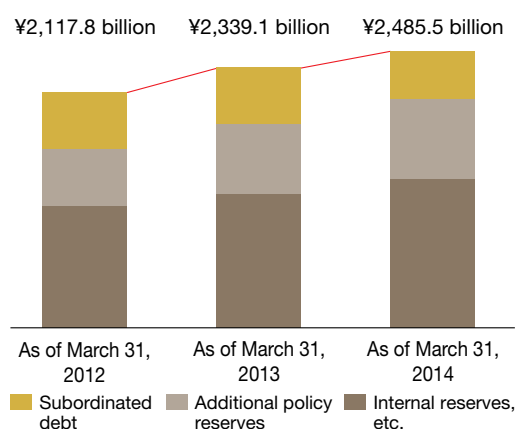
\* See page 81 for details.

## Dai-ichi Life's Capital Strategies

Dai-ichi Life understands that building a strong capital base is important if it is to retain the trust of its customers. To this end, Dai-ichi Life has sought to enhance capital by securing periodic income and building up shareholders' equity and internal reserves, such as a contingency reserve and a reserve for price fluctuations. Dai-ichi Life has also been accumulating additional policy reserves since fiscal 2007 and improving its future negative spread to enhance its financial stability.

Based on regulatory trends, Dai-ichi Life will continue to maintain a capital base adequate to deal with risks.

### Breakdown of Capital (for Dai-ichi Life on a non-consolidated basis)



### [Capital level on an economic value basis]

The Company's capital level on an economic value basis is measured for internal control purposes to determine a capital level in which assets and liabilities that are not given accounting valuations are valued.

# Group Management (Dimension)

## Group Management Headquarters

### ■ Primary purpose of establishment

The number and the size of subsidiaries and associate companies are expanding as the Company has been promoting its efforts in growth areas such as the domestic life insurance business, overseas life insurance business and asset management business. We therefore need improvement of the Group's operations more than ever. For this purpose, in 2012 we established a Group Management Headquarters based on our existing structures. We feel that this is currently the best framework to accelerate the Group's growth and strengthen its management, while maintaining management efficiency and speed.

### ■ Structure of the Group Management Headquarters

The Group Management Headquarters, with the Company's President as its Chief, controls 11 business units with designated Executive Officers as their respective heads. Also, certain members of the Group's existing departments double as members of those units. At the Group Management Headquarters' Meetings consisting of the Chief and Deputy Chief of the Headquarters, Executive Officers in charge

of the subsidiary units, and other Executive Officers appointed by the Chief of the Headquarters\*, we are discussing important management issues of the Group and the execution of important business activities.

\* See page 91 for an overview of the Company's business management framework.

### ■ Improvement of the Group's operation

Under the initiative of the Group Management Headquarters, the Company is working to further accelerate growth through creation of Group synergy by promoting sharing of the Group's principles and strategic targets and exchange of human resources and sharing of expertise in various areas and layers of the Group. With respect to internal control, such as compliance and risk management, the Company has also developed a system to control Group companies in a cross-sectoral manner through establishment of the Group's policies and regulations. As described, by achieving a balance between the centrifugal force of globalization and the growth of each company and the centripetal force of controlling and managing them as the Group, we will aim to increase the corporate value of the Group as a whole by improving the Group's operation.

## Structure of the Group Management Headquarters



\* We made Sompo Japan DIY Life our wholly owned subsidiary in August 2014.



# Human Capital Development (Diversity)

## Toward Realization of Diversity and Inclusion

We aim to realize our group vision of *Thinking People First* by practicing DSR Management, while sharing among all the employees of the Dai-ichi Life Group the Dai-ichi Life Group's corporate action

principles (DSR Charter), to practice our mission of "By your side, for life." Although the active roles played by various individuals will become the basis for creating these new values, we believe that it is important to create new values as an organization on the whole by mutually accepting diversity (Inclusion).

The Company seeks to create a work environment in which diversified human resources can play an active role, with the aim of realizing *Diversity & Inclusion*.

