

## Message from the President

Peace of mind.  
In communities and  
around the world.



July 2015  
President and Representative Director

*K. Watanabe*  
Koichiro Watanabe

I would like to take this opportunity to express my gratitude to our stakeholders for their support of Dai-ichi Life.

Dai-ichi Life, which began operating as Japan's first mutual company in 1902, has been seeking innovation based on its belief that what needs to be changed should be changed, adhering to its philosophy of "Customer First" at all times. At the same time, our Company seeks to preserve the important assets that have been passed down since its foundation, through numerous difficulties over its history of more than a century.

This philosophy remains unchanged even now as our Company continues to expand its business and grow in Japan and overseas after demutualization in 2010. Adopting the management philosophy "By your side, for life" as our Group Mission, we regard it as our *raison d'être* for each company in our Group to contribute to the comfort and peace of mind of our customers and the development of local communities in their region by standing by the side of our stakeholders. The Group Mission is shared by the entire Group.

## Value Creation Management of Dai-ichi Life: DSR Management

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To continue to stand "By your side, for life," we are working to realize our Group Mission through the practice of DSR Management.

DSR stands for Dai-ichi's Social Responsibility, with the "D" in Dai-ichi Life as the initial letter to express Dai-ichi Life's distinct efforts, which extend far beyond the framework of corporate social responsibility (CSR) in general terms. This expresses not only our determination to fulfill our social mission as a life insurance company, but also our Company's

commitment to resolutely take on global issues through its primary business.

This concept of DSR Management very much reflects the purport of the Corporate Governance Code for listed companies and the Stewardship Code for institutional investors. We will work to create a sustainable society as a member of society (corporate citizen), in addition to achieving growth as a company by further advancing DSR Management.

## Looking back on our medium-term management plan: Action D

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In the medium-term management plan "Action D" starting from fiscal 2013, we sought to move to a new level as a Group through DSR Management. As a result of steadily executing our plans for value creation and sustainable growth, the Group's consolidated results saw higher sales and profits, and in the fiscal year ended March 31, 2015 consolidated ordinary revenues, ordinary profit and net income for the year reached new post-listing highs. We were also able to attain almost all management targets a year ahead of schedule. We believe that these achievements, including the financial results of Action D, are the result of our implementation of DSR Management.

Let us introduce some of our efforts, taking

the domestic life insurance business as an example.

The first is our initiative as a company that plays a role complementing the social security system of the government. Associated with the aging population and declining birth rate, the reduction of social burdens and maintenance of public health are important tasks for preserving a healthy social security system. As a response to this challenge, our Group has embarked on the "By your side, for life – With You Project." We have positioned providing security and peace of mind through the further strengthening of our life insurance functions, as well as offering complete health support that contributes to better customer health, as unique value offerings

of our Group, and have strengthened this initiative. The provision of both security and peace of mind by leveraging our strengths, such as the new products we launch and the quality consulting services we offer through various points of contact, as well as the provision of complete health support with medical and health information, using our network with all kinds of medical institutions and providing education on cancer prevention and health in cooperation with local governments, have both stimulated customer interest in security and improved satisfaction. This in turn has helped build a foundation to boost our performance in the life insurance market in Japan.

The second initiative is our approach for growth markets. Along with growing needs of senior citizens for saving, the domestic market for savings-type products is expected to continue to grow. In fiscal 2014, Dai-ichi Frontier Life acquired the largest amount of new business since its founding in its sales of savings-type products through financial institutions and maintained the largest market share of new business among bancassurance insurance companies. This result suggests the success of our strategy of continuing to provide timely products that match customer needs in the market for savings-type products, responding with agility by separately establishing Dai-ichi Frontier Life, instead of Dai-ichi Life itself conducting the bancassurance business.

The third initiative is our effort to respond to diversified lifestyles. In recent years, more and more customers are seeking to compare insurance products on their own. To provide products that meet these customer needs, we made Sompo Japan DIY Life Insurance Co., Ltd. a wholly owned subsidiary in 2014 and restarted it as Neo First Life in November 2014. From mid-August 2015, Neo First Life plans to provide attractive new insurance products to prepare for diseases and hospitalization, for instance, through financial institutions and insurance shops.

In the overseas life insurance business, Group companies did well, successfully achieving steady growth in their respective markets. Moreover, support for the profit growth of the Group has been created in the United States by making Protective Life Corporation (“Protective Life”) a wholly owned subsidiary, among other measures. The asset management business also contributed to the growth of the Group by each company operating in accordance with its business strategy, while fulfilling its social responsibility as a company and as an institutional investor based on its unique characteristics.

As just described, we believe that the Dai-ichi Life Group was able to show growth in Action D through a concerted focus on DSR Management, as well as through its initiatives to create new value for all stakeholders.

## Start of a new medium-term management plan “D-Ambitious”

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Action D was the medium-term management plan for the period when we built a solid foundation for the continued growth of the Group in Japan and overseas through the execution of our strategies. Going forward, we will enter the stage of accelerating growth based on the foundation we have built.

The Group has revised its medium-term management plan and adopted a new medium-term management plan covering fiscal 2015 to fiscal 2017, “D-Ambitious/ Our values. Our future.”

The word “Ambitious” is used in the name of the plan to express our intention to aggressively seek a further acceleration of growth and an increase in corporate value to an unprecedented level through the further evolution of DSR Management.

Specifically, we will become an insurance group that will remain the insurer of choice for customers and that will be valued by local communities and society. We will do this by strengthening the three engines of our growth strategy, namely the domestic life insurance

business, the overseas life insurance business and the asset management business, while exerting synergy through mutual learning by Group companies in Japan and overseas. Consequently, we will achieve our management objectives of making rapid progress in consolidated profits, secure a capital level with our eyes fixed on global regulations, and achieve an even higher level of return to meet the expectations of our stakeholders.

In addition, we will also work to develop a framework to support global business development through the transition to a holding company structure<sup>\*1</sup> planned for October 2016 and the further promotion of diversity and inclusion<sup>\*2</sup> to build a vibrant organization by benefiting from the individuality of each employee.

<sup>\*1</sup>: To make a transition to a holding company structure, the permission and authorization of the authorities and the approval of shareholders at a shareholders meeting are necessary, among other steps.

<sup>\*2</sup>: This is an effort by the Company to respect the diversity of human capital (diversity) and mutually accept diversified human capital (inclusion).

In addition, as the development and growth of society in Japan and other countries where we operate is an essential element for the growth of the Group, we need to contribute to the development of local communities in each country and to the comfort and peace of mind of people living there through our business activities.

Taking Japan for example, we will continue to contribute to solving social challenges including the aging population and declining birth rate through the life insurance business so that Japan can overcome its social challenges and achieve sustainable growth.

Our overseas Group companies also, through sharing the philosophy represented by “By your side, for life” and fulfilling their social responsibility through the life insurance and other businesses, aim to achieve solid growth on their own by contributing to the development of each region and the lives of people.

In D-Ambitious, we will aim to create sustainable value and grow into a global insurance group by further refining DSR Management and expanding that effort globally.

## ■ Further enhancement of “By your side, for life – With You Project”

As an example of our growth strategies, let us introduce our efforts in the domestic market, our main market.

The Dai-ichi Life Group will work to further strengthen the “By your side, for life – With You Project” to deliver security and peace of mind and complete health support, the value provided by the Group in Japan, to more customers and further improve the quality of this value.

The domestic three life insurance company structure consisting of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life has started in Japan, and a system for each of the three companies to quickly provide customers with competitive products and services will be put in place. We will meet the diverse needs of our customers by delivering the optimum products through the most suitable channels.

We will also step up our efforts to provide more customers with high-quality consulting services. First, we have appointed Customer Consultants as specialists who provide after-sales services and consulting to customers who had difficulty contacting us in the past. Customer Consultants began working in earnest from April 2015. Second, we will increase the number of Total Consultants specializing in consulting services at offices in urban areas and government offices to an industry-leading level of 2,000 persons to expand in major urban areas. Third, with respect to Total Life Plan Designers, we will foster human capital to assist customers with sophisticated consulting capabilities by extending the development period from two years to five years.

In addition to these initiatives, we will continue to make efforts in the Declaration to Support Total Life Plan for the Second Half of Life, which we announced last year, to deliver security and peace of mind and complete health support at a high level to senior customers, whose presence in society is increasing and whose lifestyles are diversifying, and further enhance our initiatives to gain more support from senior customers.

## **Lastly: Peace of mind. In communities and around the world.**

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In the fiscal year under review, in time with the start of the new medium-term management plan “D-Ambitious,” the Group set a new medium- to long-term vision “Peace of mind. In communities and around the world.” as an objective for 2020. This is a declaration of our aim to become an insurance group that continues to be selected by people around the world as a partner standing “By your side, for life” who is of the best help and the most trusted by the local community in

all countries where we operate business.

To realize this medium- to long-term vision, the Group will continue to provide value to customers, shareholders, investors and all other stakeholders related to the Group with concerted efforts.

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

