


Message from the President

A photograph of Koichiro Watanabe, President and Representative Director, standing in a formal room with wood-paneled walls and a framed picture. He is wearing a dark suit, a white shirt, and a red patterned tie.

We will achieve sustainable growth by making more innovative changes, while maintaining the spirit we adopted at the time of founding.

July 2016
President and Representative Director

Koichiro Watanabe

Meaning of continuing to stand “By your side, for life”

Continuing to stand “By your side, for life.” It means that we will continue to change ceaselessly, with the aim of becoming the best for customers and society. Looking back on our history of more than a century, we have continued to grow, while creating value, by walking the best path, always thinking of customers first.

Even now, our management philosophy of aspiring for the best remains deeply instilled in each employee and extends to every detail of our business. The collaboration and cooperation with local governments that the Dai-ichi Life Group provides in many parts of the country (page 67) are one of these examples. This is an initiative for the Group and local governments to strive to solve the problems facing many regions. It began with an approach by an employee on site to her colleague, deeply concerned about the fact that a certain prefecture had the worst mortality rate in Japan in a certain type of cancer and wondering if it would be possible for those employees like her who are connected with the local community to do something for this problem. Before long, her endeavor developed into an educational activity encouraging medical checkups to discover cancer early, through an agreement concluded with a local government. This activity helped foster a sense of commitment among employees on site and brought a virtuous circle to their daily sales activities. This has been spreading all over the country as a successful example of business evolving in step with the issues confronting each region.

As this example shows, this approach of being a company in which each employee creates value for customers and society through the core business is unique to the Dai-ichi Life Group. It goes beyond the boundaries of general CSR, and so we express it as DSR, or Dai-ichi’s Social Responsibility, by adopting D, the initial letter of the Group.

Today, we need to respond to sweeping changes more rapidly than ever before, since we are doing business in the modern age when the environment is evolving with unprecedented speed. We will continue to make innovative changes endlessly by polishing our own strengths through the practice of DSR Management.

“D-Ambitious,” the medium-term management plan the Group is proceeding with

To further evolve DSR Management and achieve growth that lives up to the expectations of stakeholders through bold business development with a sense of speed, the Group is working on the medium-term management plan covering the period fiscal 2015 to fiscal 2017. This plan is called “D-Ambitious, Our values, Our future.” Under this medium-term management plan, we have positioned the domestic life insurance business, the overseas life insurance business and the asset management business as three growth engines. We are working on these businesses for further growth and breakthroughs by developing strengths in each business domain.

In the domestic life insurance business, we have started the structure of three domestic life insurance companies, namely Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life, to meet diverse customer needs with carefully tailored products and services through the optimum channel. In the overseas life insurance business, we are promoting well-balanced business development in the emerging markets that are expected to show high growth and the developed markets that are likely to contribute to stable profits, aiming to steadily expand their contribution to the profits of the Group as a whole.

In the asset management business, we will also contribute to the sustainable growth of consolidated profits through the sophistication of asset management and the strengthening of the earnings power of the asset management business that is compatible with our life insurance business.

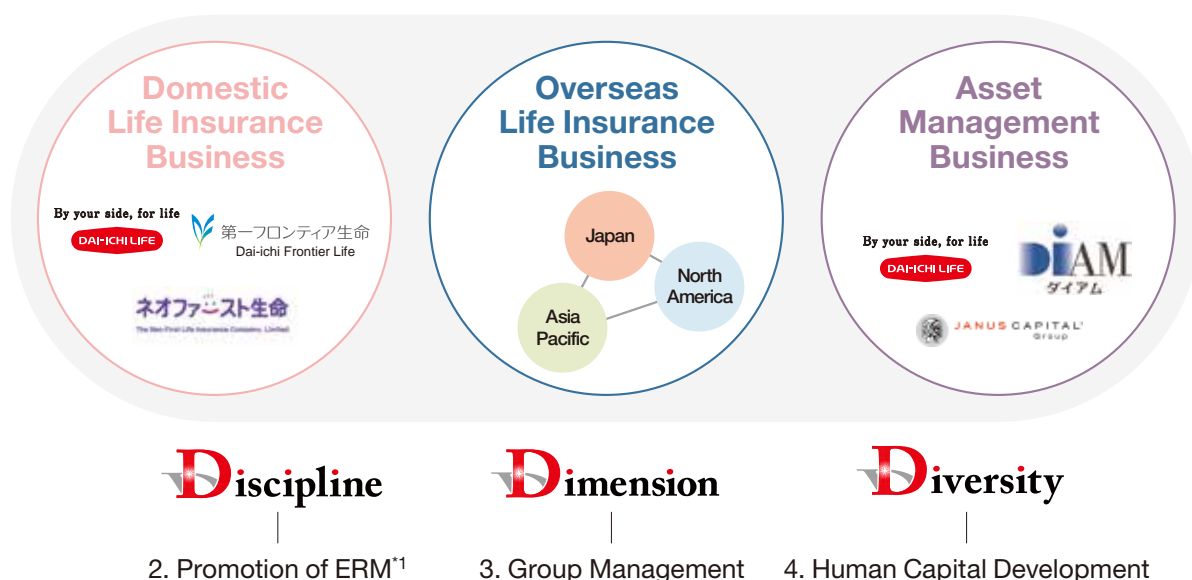
And to respond to the expansion and diversification of our businesses on a global scale and further accelerate their growth, we will shift to a holding company structure in October 2016. Under the holding company structure, we will strengthen our governance system while optimizing the growth strategies of the Group.

In addition, based on the concept that the main drivers in generate corporate growth and values for stakeholders are human capital, we will continue to create an environment conducive to diverse human capital taking on an active role, while proactively cultivating people who can support our global business development.

Basic Strategy “Four Ds”

Dynamism 1. Growth Strategy

We will realize sustainable and solid growth with three growth engines (the domestic life insurance business, the overseas life insurance business and the asset management business).



^{*1} ERM (Enterprise Risk Management) is an effort to increase capital efficiency and corporate value by formulating strategies according to profits, capital and risks, taking into account the types and characteristics of the risks.



Review of fiscal 2015

Achieved income growth for the fifth consecutive year by overcoming some major headwinds.

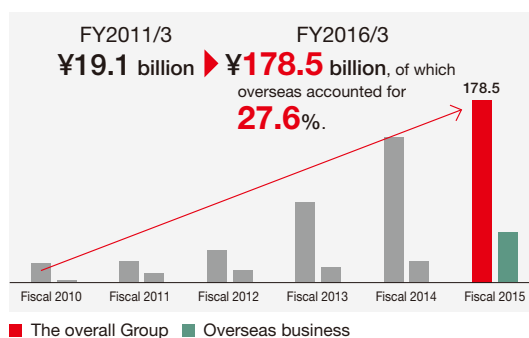
In the fiscal year ended March 31, 2016, net income attributable to shareholders of parent company reached a record high since our listing for the fifth consecutive year. This was a result of the strong performance of businesses in Japan and overseas, with the three growth engines, which we promote in our medium-term management plan, giving full play to their ability in fiscal 2015. Profits of Protective Life in the United States, which was consolidated in the fiscal year under review, also made a significant contribution. We were also able to increase shareholder returns.

Looking back on the six years since the demutualization and the listing in 2010, although there were times when the economic environment was favorable, the road was never smooth. We passed through challenging times such as the European debt crisis and the Great East Japan Earthquake.

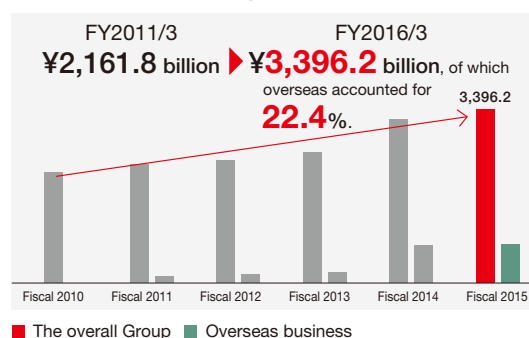
In this environment, we have been working on innovative changes to enhance corporate value, for instance by investing in growth in Japan and overseas with extraordinary speed, ahead of other companies. As a result, the Group is developing advantages that are less susceptible to the prevailing economic environment in Japan, with business diversification, regional diversification and the sophistication of asset management all making progress. This is very much the result of our concerted efforts for value creation by Group companies in Japan and overseas, in which we united to practice DSR Management to make innovative changes across the board.

As a result of these efforts, we continue to follow the same growth path, overcoming the headwinds we faced immediately after our demutualization and the listing.

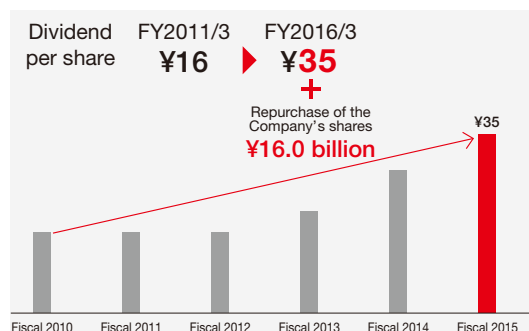
Consolidated Net Income



Annualized net premium from policies in-force of the Group



Shareholder Returns



Second stage of New Foundation: Pursuing alliances and innovation

Currently the financial and economic environments in Japan and overseas are undergoing sweeping change, including slower economic growth in emerging countries and the introduction of the negative interest rate policy in Japan. However, the growth strategies of the Group are evolving without interruption.

With the further evolution of these growth strategies and the transition to a holding company structure as a start, we have positioned the current fiscal year as the beginning of the second stage of our New Foundation.

Under the holding company structure, the flexible allocation of management resources on a Group-wide basis, prompt decision-making at each company, and higher efficiency and the creation of more synergy among the Group companies can be expected. This is the beginning of a new innovative change for us. As we positioned the demutualization and the listing in 2010 as New Foundation, we want to target further growth, mobilizing the entrepreneurial spirit of each employee, by resetting our aspirations based on the spirit we adopted at the time of founding in 1902 and seizing this occasion to advocate once again the “second stage of our New Foundation.”

In the second stage of New Foundation, we will aim higher and strive to create synergy to accelerate the value creation and growth of each company, building on the foundation created by the past achievements of growth strategies for each business in the three growth engines.

In the domestic life insurance business, we will enhance our fine-tuned consulting services for customers by strengthening the consulting capability of Total Life Plan Designers of Dai-ichi Life and enhancing our system for cultivation, aiming to contribute to higher productivity and promoting the multiplex structure and diversification of channels. We will also create a framework to meet the savings needs of customers by boosting sales of life insurance products of Dai-ichi Frontier Life by Total Life Plan Designers across the country, leveraging Group synergy.

In the overseas life insurance business, acquisition projects implemented by Protective Life in the previous fiscal year are also expected to begin contributing to profits in the current fiscal year. We will continue to seek to bolster the profit contribution of Protective Life by supporting its acquisition strategies. On top of that, the Group companies in Asia Pacific countries, including TAL (Australia), also seek sustainable growth, while demonstrating their strengths.

In addition to these strategies, we will also work to generate growth opportunities by incorporating a business alliance with Japan Post Insurance Co., Ltd. (hereinafter “Japan Post Insurance”), the establishment of Asset Management One and the promotion of InsTech as new strategies, aiming to make the three growth engines stronger and more flexible.

Initiatives to make the three growth engines stronger and more flexible

Business alliance with
Japan Post Insurance

Establishment of
Asset Management One

Promotion of InsTech


A comprehensive business alliance with Japan Post Insurance has been formed, with collaboration among the three growth engines and the development of local communities as a common vision. This alliance will enable the both companies to mutually complement and amalgamate their strengths in the overseas life insurance business and the asset management business, in addition to the domestic life insurance business. We will first examine and introduce various forms of support to strengthen the sales of Dai-ichi Life Vietnam. We will also jointly invest in growth areas such as project financing in asset management, and consider joint studies on the domestic life insurance business. Through these initiatives, we will contribute to the development of local communities in Japan by improving the quality of our products and services. We will also contribute to the social and economic development of other countries through the penetration and dissemination of life insurance.



By your side, for life

DAI-ICHI LIFE

Domestic life
insurance business

Development of new products

Use and application of IT technologies

Overseas life
insurance business

Building of a cooperative relationship (in Vietnam, etc.)

Asset management
business

Shared use of asset management
companies

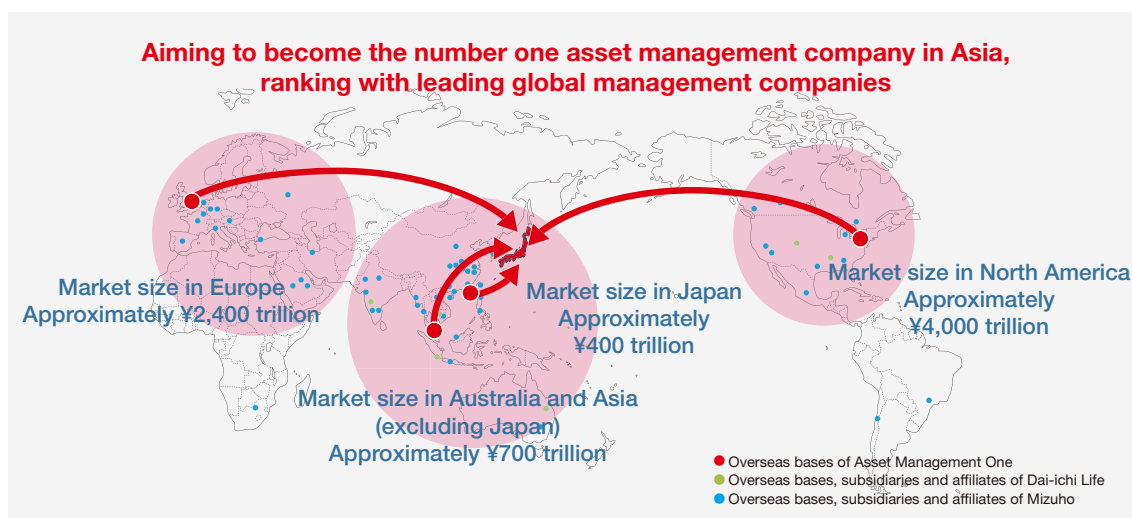
Joint investment in growth areas

**Promoting sustainable gains in corporate value by complementing and
amalgamating the strengths of both companies.**

In October 2016, DIAM Co., Ltd., a Group company, will make a new start as Asset Management One Co., Ltd. that is to be established by integrating with three companies of the Mizuho Financial Group.

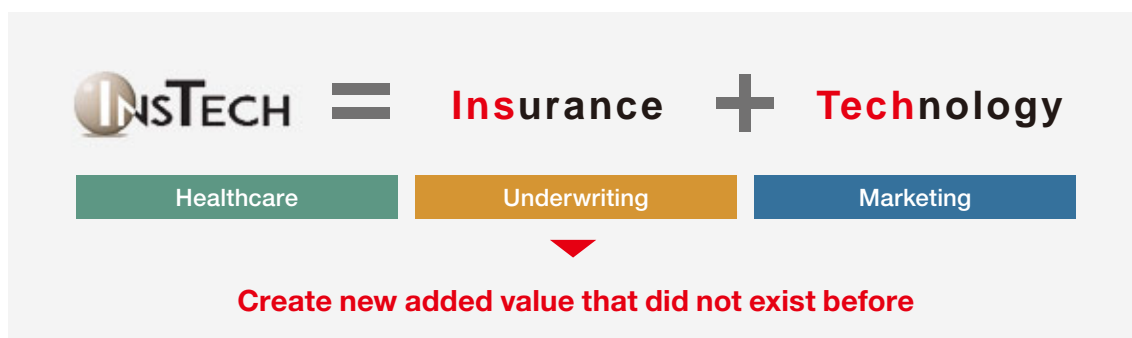
Looking at the world's asset management markets, the market size in North America, Europe, Australia and Asia is massive, and further growth can be expected.

Asset Management One, which will be one of the largest asset management companies in Japan, aims to become the number one asset management company in Asia, ranking with leading global management companies by strengthening its investment capability, product competitiveness and sales capability and assembling the strengths and resources of each management company, taking in funds around the world by drawing on all of their networks.



We are working to promote InsTech, which aims to create innovations unique to the life insurance business in terms of both the insurance business and technology, as a Group-wide effort, viewing it as an initiative for the future insurance business and as a higher priority strategic issue in each domain of healthcare, underwriting and marketing. In August 2015, Neo First Life launched lifetime medical insurance, to which a discount for non-smokers is applied, as an industry first,* based on the analysis of big data in medicine. We were able to provide the world with new value by promoting better health. Going forward, we will work to create new added value that did not exist before and use the latest technology by further pressing forward InsTech, with a view to collaborating with other business categories, while making aggressive use of outside development capabilities and ideas.

* According to the survey of Neo First Life on the insurance products of life insurance companies that are members of the Life Insurance Association of Japan (as of June 29, 2015). Excluding medical-related riders, etc.



Lastly

Setting a new medium- to long-term vision of “Peace of mind. In communities and around the world” as an objective for 2020, the Group aims to become an insurance group that continues to be selected by people around the world. To realize this medium- to long-term vision, the Group will unite in its determination to continue to innovate, by refining its own strengths through the practice of DSR Management, while maintaining what we have preserved since our founding.