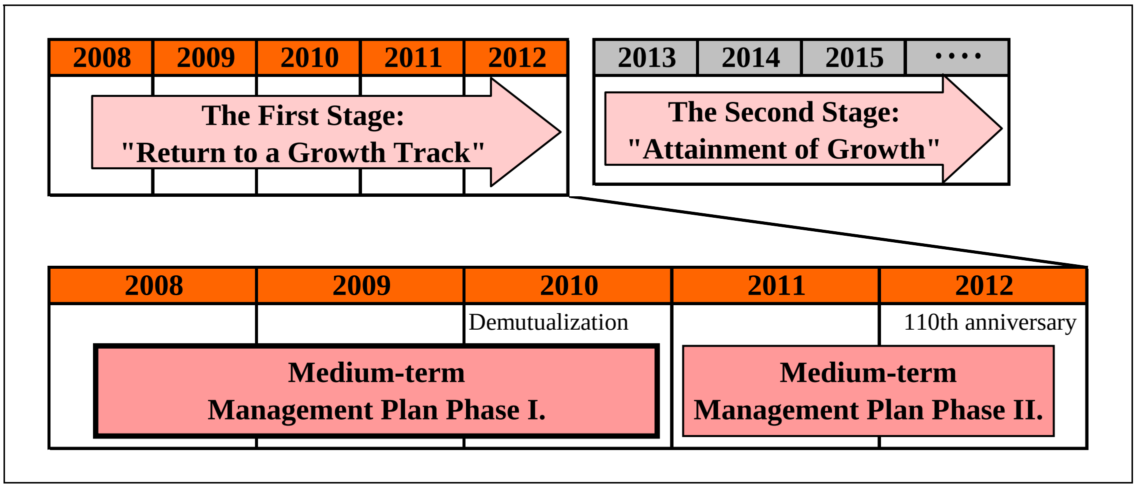
August 18, 2008

New Medium-Term Management Plan “Value Up 2010”

The Dai-ichi Mutual Life Insurance Company (the “Company”; President: Katsutoshi Saito) today announced “Value Up 2010”, a new medium-term management plan (hereinafter the “Plan”) of the Company and its subsidiaries and affiliates (collectively, the “Group”). The Group defines the coming five years as the first stage for the Group’s return to a growth track. The Plan, as the first phase of the first stage, covers the first three years. Aiming to become the most highly regarded insurance company by its customers, all of the directors, officers, employees, subsidiaries and affiliates of the Group will implement the Plan together.



<u>The Background of the Plan</u>

Taking into consideration changes in Japan’s demographics and customer needs, the Group anticipates that the death benefit market will shrink in the long run, that competition within the industry will intensify due to growth in the bancassurance channel triggered by a growing trend of functional separation of product development and distribution, and that the level of products and services that customers expect will increase considerably. In this business environment, to realize continuous growth to meet the commitment in its “Declaration of Quality Assurance,” the Group should increase productivity in each of its existing business domains, allocate its corporate resources to growing areas, and pursue external growth as necessary. To carry out these strategies, the Group adopted a plan to demutualize as a measure to realize a speedier and more flexible management structure, followed by the formulation of the Plan as described below.

<u>Overview of the Plan</u>

In the Plan, the Group defines its business domain as businesses associated with life insurance, other insurance/financial products and services, and asset management, all of which contribute to the “Total Life Plan” concept.

The Plan covers the period between August 2008 and March 2011. The Company named the Plan “Value Up 2010” to realize three means of increasing value: (1) the Group will strive to provide high added value to customers, (2) every employee of the Group will strive to add value by performing her/his work, and, as a result, (3) the Group will add value to each business area and finally enhance operations. The Group, while continuing to promote the concept of corporate social responsibility, will focus on growth in embedded value [1] by implementing programs to enhance its corporate value.

(1) Embedded value, or EV, is one of the indicators of the corporate value of a life insurance company. EV is the sum of “adjusted net worth,” which can be understood as corporate value already accumulated, and “value of in-force business,” which can be understood as value to be realized in the future.

Medium-term Management Plan Phase I.: "Value Up 2010"

I. Establishing Foundation for Growth to Be Achieved by Quality Assurance and Productivity Improvement

1. Pursuit of quality assurance and productivity improvement
   - Strengthening competitiveness in core businesses
   - Proactive investments in growth markets
2. Pursuing external growth including through M&A

II. Enhancement of Capital Efficiency

1. Capital profitability improvement
2. Streamlining capital allocation

III. Demutualization and Public Listing Based on Items I and II Above

IV. Establishment of Growth Model Facilitated by Human Capital

Summary of the Plan

I. Establishing Foundation for Growth to Be Achieved by Quality Assurance and Productivity Improvement

1. Pursuit of quality assurance and productivity improvement

The Group will firmly implement the items that it committed to in its "Declaration of Quality Assurance," while improving productivity in all of its business areas and enhancing its competitiveness. The Group intends to achieve these goals by firmly executing the measures described in the business improvement plan submitted to the Financial Service Agency on August 1, 2008. Also, the Group will promote the concept of the "PDCA" (plan-do-check-action) cycle under management's leadership to improve its overall business processes, taking into consideration its customers' perspective.

i) Existing business areas

a. Life insurance business with salespersons

- The Group has placed education of salespersons and improvement in policy persistence as utmost priorities to accomplish its "Declaration of Quality Assurance." The Group started a series of programs such as a reform of its salesperson promotion system and the establishment of a sales incentive framework emphasizing rewards for customer-oriented activities last year. As a result, persistency rate and surrender and lapse rate have been improving and the number of salespersons has increased. Likewise, the Group will continue to devote energy and resources to the education of salespersons and improvement in policy persistency.
- In addition to its activities in the death benefit market, the Group aims to introduce new initiatives by developing products for markets as follows:

Death benefit market	The Group aims to offer products to meet customers' needs under the "Total Life Plan" concept, while improving its product line.
Senior market	This market mainly consists of potential customers with needs for survival benefits such as annuities and medical insurance. The Group aims to preserve and expand its customer base in this market with growth potential.
Young market	This market mainly consists of potential customers without life insurance coverage. The Group aims to expand its customer base in this market and enjoy high life-time value.

- The Group will increase its selling capacity by facilitating a series of programs to educate salespersons and enhance their individual productivity.

b. Group insurance business

- While planning and developing new group products and services, the Group will concentrate its corporate resources in its core competence to enhance its corporate value, taking into consideration profitability of its products, markets, and its customer groups. Also, the Group aims to improve cost-efficiency by reexamining its operating processes.

c. Group annuity business

- The Group will streamline and focus on highly profitable segments within the group annuity business. Also, the Company will raise the quality of its administrative operations while enhancing the efficiency of its underwriting operations.

d. Productivity improvement in each business area

- The Group will reduce operational costs from the perspective of cost-efficiency and establish a competitive cost structure flexible enough to accommodate changes in scale in operation. In addition, the Group will streamline each of its existing business areas in order to facilitate investment in growth areas.

ii) Proactive investments in growth markets

a. Bancassurance business

- The competitive rivalry within the bancassurance business is anticipated to intensify partly because of new entrants and downward profit pressure associated with shared distribution channels. The Group, however, intends to reinforce its bancassurance business as it anticipates sufficient market growth due to inflow into the market of retirees' funds.
- The Dai-ichi Frontier Life Insurance Co., Ltd., the Company's subsidiary specializing in providing life insurance products via financial institutions, will plan, develop and supply not only variable annuities, its current main product, but also other products. In addition, it will also plan to obtain and cultivate additional distribution agents.

b. International life insurance business

- The Group will proactively pursue business opportunities in international life insurance markets, mainly in Asian countries. The Company will expand its international life insurance business in terms of both regions and stages of corporate development to diversify risks associated with international business and, as a result, more quickly develop the business into a profit contributor.
- The Group has established and adheres to criteria for both entry into and exit from international businesses.

c. Asset management business

- The Group will restructure its subsidiaries and affiliates relating to the asset management business and will implement plans to increase profitability.

2. Pursuing external growth including through M&A

The Group will proactively seek opportunities for external growth, including through M&A transactions, to complement and foster its overall growth.

II. Enhancement of Capital Efficiency

1. Capital profitability improvement

While the Company pursues continuous growth of its EV, the Company aims for sustainable shareholder dividend payouts after its demutualization, taking into consideration the appropriate balance of policyholder dividends and retained earnings.

2. Streamlining capital allocation

The Group will streamline its capital allocation as necessary in order to enhance capital efficiency. Specifically, the Group will consider such options as controlling its exposure to risk assets, restructuring its existing businesses, allocating its capital to growth areas, and mezzanine financing, including issuance of hybrid securities. Finally, the Group will reinforce its internal capital management and allocation.

III. Demutualization and Public Listing Based on Items I. and II. Above

The Group will strive to complete its demutualization and public listing during the first half of fiscal year 2010 and will adjust its entire system to fit listing criteria as promptly as possible. Specifically, the Group will commit to reinforce its customer service associated with the demutualization and public listing and enhance its internal control systems.

IV. Establishment of Growth Model Facilitated by Human Capital

The Group considers its human capital as its most invaluable asset and its source of unrivaled growth to be realized. The Group will strive to improve performance of all of its directors, officers, and employees in pursuit of growth. Moreover, the Group will assimilate the growth of its employees with its committed concept of enhancing its corporate value, establishing a model from which both the Group and its employees will benefit.