

July 31, 2009

Update of Progress on Business Improvement Plan

The Dai-ichi Mutual Life Insurance Company (the “Company”; President: Katsutoshi Saito) today submitted to the Financial Services Agency (the “FSA”) the second progress report on its business improvement plan submitted on August 1, 2008. A summary of material progress, improvements and other efforts made since the last progress report (submitted on January 30, 2009) is presented in the following pages.

Taking the July 2008 Business Improvement Order from the FSA with utmost seriousness, all of the directors, officers, and employees of the Company have reaffirmed the recognition that the role of an insurance company is fulfilled when a claim payment is completed and have made efforts to incorporate preventive measures into the Company’s operations and to enhance effectiveness of the business improvement plans from customers’ point of view.

Since July 2008, the “Headquarters for Business Improvement Promotion” (the “Headquarters”), chaired by the President and consisting of all operating officers of the Company, has taken the initiative in implementing each measure of the action plan, self-assessment/auditing of the effectiveness of such measures, and further improvement efforts based on such reviews. In the meantime, third-party assessments of the effectiveness of such measures have also been undertaken, such as consultation with the Deliberation Committee for Claims Payment, consisting mainly of independent intellectuals, and conducting a customer survey from policyholders who had recently received benefit payments from the Company to collect their feedback on newly introduced claim/payment procedures.

Through these efforts, the Company believes it has considerably promoted the concept of the “PDCA” (plan-do-check-action) cycle throughout its organization, which is the key to the next stage of the improvement plan. The Company will devote itself even more fully to serving its customers as their reliable partner for many more years to come.

Summary of Progress on the Business Improvement Plan

1. Improvement and reinforcement of governance structure
 - i) Establishment of the Headquarters and reinforcement of internal system to monitor the effectiveness of the plan (*August 2008-*)
 - The Headquarters has held 9 meetings since August 2008 and has monitored progress and effectiveness based on periodic reports from departments in charge of claims payment, payment control and internal audit, and other internal/external committees.
 - Deliberation Committee for Claims Payment, a consultative body of the Headquarters charged with monitoring and assessing the effectiveness of the plan from a third-party perspective, has held 5 general meetings and individual presentation sessions to external committee members since September 2008.
2. Improvement and Reinforcement of Internal Audit Structure
 - i) Reinforcement of internal audits by Internal Control and Auditing Department (*April 2009-*)
 - An expert team, mainly consisting of experienced staff from the Company's Claims Payment Auditing Center, has conducted more thorough and in-depth inspections in theme-specific audits regarding claims payment in the first half of fiscal year 2009.
3. Additional Preventive Measures Associated with Insufficient Payments
 - i) Reinforcement of process of claims receipt (*August 2009-*)
 - The Company will introduce a brand-new claim receipt procedure in which its sales representatives put all the relevant customer information directly into their mobile computers, replacing the current paper-based method. In this new procedure, computer software will be designed to (1) guide sales representatives step-by-step to obtain from claimants the complete information required for individual claims and (2) avoid submitting claims to the Company that lack necessary information.
 - Also, "Claim Confirmation Sheets" will be newly introduced to replace the existing self-review sheets. Both the old and new sheets are intended to be delivered to claimants by sales representatives in order to encourage claimants not to overlook any potential claims in addition to the claims they are making. In addition, the new sheets contain descriptions of claims that sales representatives have obtained from claimants so that any deficiencies during the hearing and input process can be detected by the claimants.

ii) Enhanced explanations to those whose claims the Company has declined

(soft-launched in February 2009, to be fully introduced in first half of FY 2010)

- The Company is assigning trained experts in its Claims Department, instead of branch office staff, to provide more detailed and fair explanations directly to claimants whose claims have been declined.

iii) Revision of a Summary of Policy Terms and Conditions *(October 2009-)*

- Sales representatives will complete the explanation on concluding a contract more efficiently with a single material Contract Summary, which will include the same description of benefit payment terms as the one that is currently available only on a separate appendix of the policy terms and conditions.
- Notice of Payment Terms will also appear on the Contract Summary, instead of being mailed in a notice letter after purchase, in order to enhance the information about payment terms available for customers at the time of contract.

iv) Review on product line-up *(April 2009-)*

- The Company has suspended sales of 29 products/riders to streamline its product line-up.