

June 4<sup>th</sup> 2013

Koichiro Watanabe  
President and Representative Director  
The Dai-ichi Life Insurance Company, Limited  
Code: 8750 (TSE First section)

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## Investment in an Indonesian Life Insurance Company, PT Panin Life

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The Dai-ichi Life Insurance Company, Limited (the “Company”; President: Koichiro Watanabe) is pleased to announce that on June 3<sup>rd</sup>, 2013 we have concluded a contract on subscription of new shares of PT Panin Life (hereinafter “Panin Life”) , an Indonesian Life Insurance Company, and PT Panin Internasional (hereinafter, “Panin Internasional”), its intermediate holding company, with PT Panin Financial Tbk (hereinafter “Panin Financial”), the parent company of these companies, Panin Internasional and Panin Life.

The amount to be invested through this subscription of new shares will be 3.3 Trillion IDR (Approximately 34.3 billion yen) and the Company will acquire an effective stake of 40% in Panin Life. Subject to obtaining all relevant regulatory approvals, Panin Life will become an affiliate of the Company. This relationship will bring added value for business growth providing excellence to customers and business partners.

Panin Life mainly operates in Indonesia, a promising life insurance market with the 4<sup>th</sup> largest population in the world. Panin Life is a subsidiary of Panin Financial, a leading financial corporation, which also owns Panin Bank, one of the major banks in Indonesia, as well as other financial institutions.

Panin Life has a number of distribution channels such as agency, bancassurance, direct marketing and telemarketing, and by diversifying into other various sales channels; Panin Life has successfully grown its underlying business performance in recent years. Simultaneously, subject to obtaining relevant approvals from local authorities, Panin Life is also expected to enter into a long-term exclusive bancassurance agreement with Panin Bank.

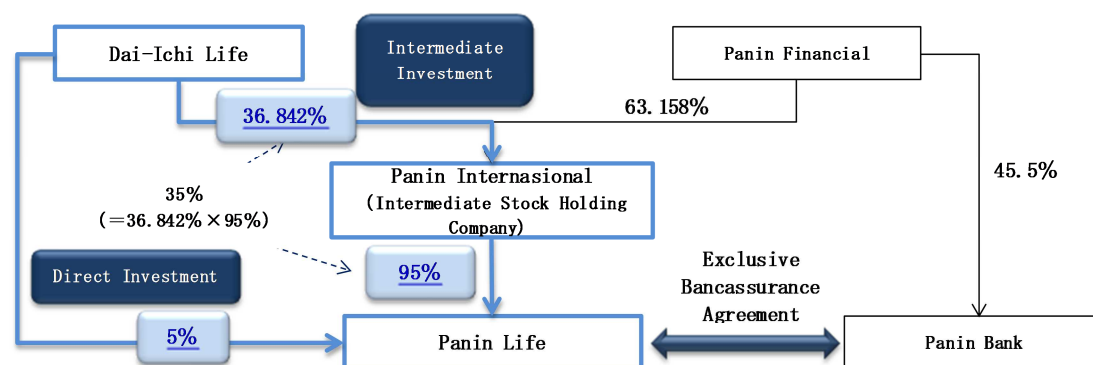
The investment in Panin Life is based on the Company’s core growth strategy to enhance

overseas life insurance operations in the Asia Pacific region, following its existing businesses in Vietnam, India, Thailand and Australia. The Company will seek to further enhance its overseas life insurance business going forward.

#### 【Overview of the investment scheme】

- Panin Financial, through PT Panin Internasional, currently owns about 100% shares of Panin Life.
- Subsequently, the Company will subscribe for 533,669,000 new shares of Panin Life, equivalent to 5% shareholding .
- The remaining 35% of Panin Life shares will be acquired by Panin Internasional. To fund this acquisition, Panin Internasional will issue 75,344,500 new shares equivalent to 36.842% of total shares, which will be subscribed by the Company.
- Through the subscription of new shares in both Panin Life and Panin Internasional, the Company will effectively own 40% shares of Panin Life

(Ref: Investment Structure)



#### < Overview of Panin Life >

Trade Name	PT Panin Life
Type of Business	Life Insurance
Year of Establishment	1974
Representative	Mr. Heru Yuwono Liem (President Director)
Total Asset	3,876.1 Billion IDR (Approx. 40.3 Billion Yen) (FY 2012)
Premium Income	2,215.8 Billion IDR (Approx. 23.0 Billion Yen) (FY 2012)
Net Profit	120.3 Billion IDR (Approx. 1.2 Billion Yen) (FY 2012)
Market Ranking	Ranked 12 <sup>th</sup> out of 45 Companies (Based on FY 2011 Premium Income)
Publicly Listed / Not	Unlisted (※ Panin Financial is listed on the Jakarta Stock Exchange)
Amount of shares owned by Dai-ichi	(direct and indirect collectively) 40%

# **Investment in PT Panin Life**

**June 4, 2013**

**The Dai-ichi Life Insurance Company, Limited**

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 DAI-ICHI LIFE

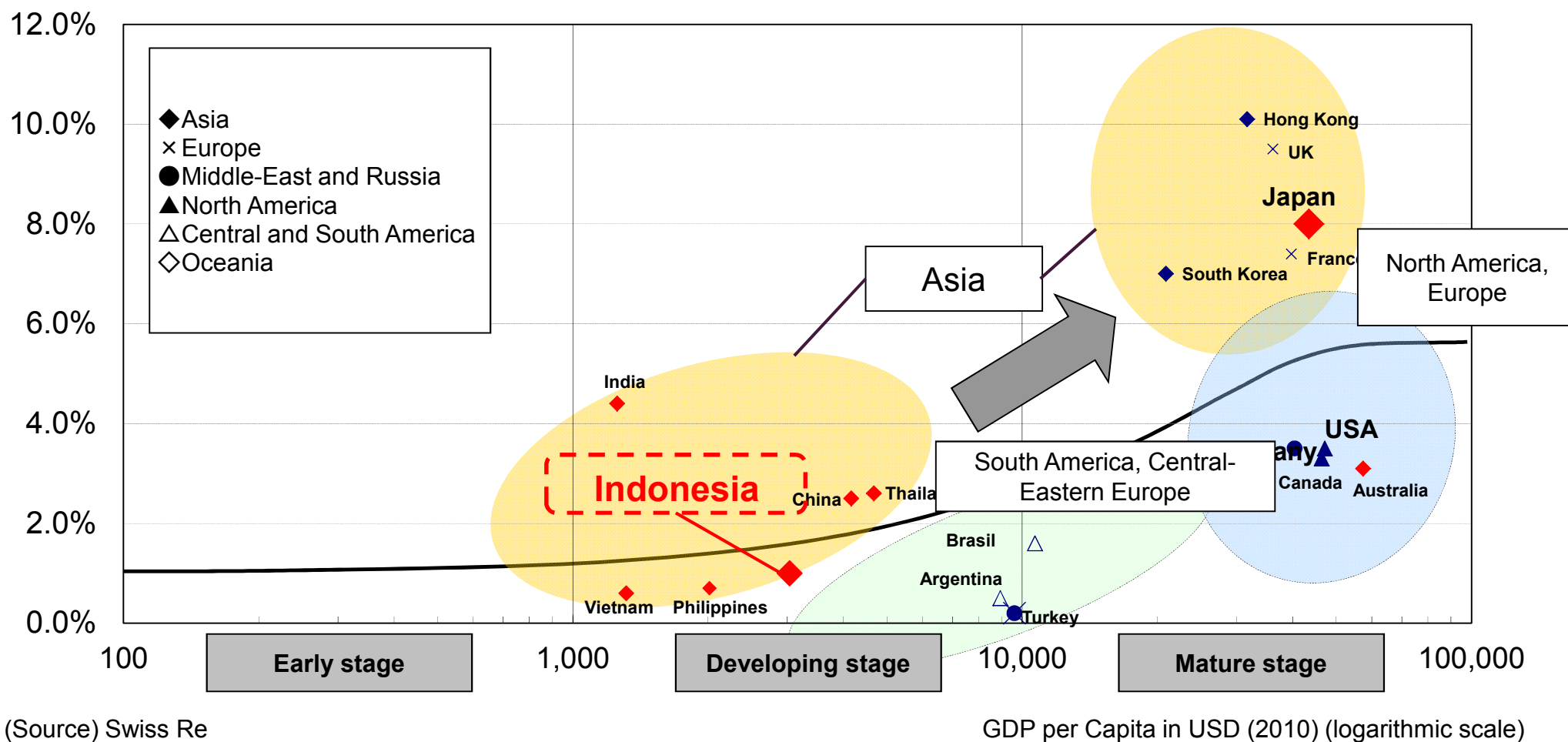
The Dai-ichi Life Insurance Company, Limited (“Dai-ichi Life”) concluded a contract for the subscription of new shares with PT Panin Life (“Panin Life”), a life insurance company in Indonesia; PT Panin Internasional (“Panin Internasional”), an intermediate holding company and the parent company of Panin Life; and PT Panin Financial Tbk (“Panin Financial”), the parent company of Panin Internasional.

Investment Overview	<ul style="list-style-type: none"> <li>■ Dai-ichi Life will acquire an effective stake of 40% of Panin Life. (Dai-ichi will directly subscribe for 5% of this 40% and acquire the remaining 35% through investment in Panin Internasional.)</li> <li>■ Dai-ichi will delegate commissarises<sup>(1)</sup> and board directors to Panin Life and Panin Internasional and hold a veto right regarding certain affairs.</li> </ul>
Total Consideration	IDR 3,300 billion (approx. JPY 34.3 billion <sup>(2)</sup> )
Investment Merits	<ul style="list-style-type: none"> <li>■ Taking advantage of the significant growth potential of the Indonesian life insurance market</li> <li>■ Pursuing growth outperforming overall market growth by (1) leveraging the strategic alliance with Panin group, including a long-term exclusive bancassurance agreement with Panin Bank, a Panin group company, and (2) sharing Dai-ichi Life’s expertise in bancassurance management acquired in the domestic and overseas markets</li> </ul>
Expected Timing of Completion	December 2013 <sup>(3)</sup>

- (1) Commissarises in Indonesia supervise and advise directors and have a role similar to corporate auditors in Japan. However, the board of commissarises has the right to decide important matters of the company.
- (2) The exchange rate used in this material is 1 IDR = 0.0104 JPY (28<sup>th</sup> May TTM rate).
- (3) Subject to change, depending on approvals from relevant authorities in Japan and Indonesia. Panin Life and Panin Internasional are expected become affiliates of Dai-ichi Life in August 2013, which is also subject to change, depending on approvals from relevant authorities.

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- Ins. penetration rate <sup>(1)</sup> of life insurance rises in line with the expansion of the size of the economy (income level).
- Ins. penetration in Indonesia is still in its developing stage and hence has a huge potential for growth.

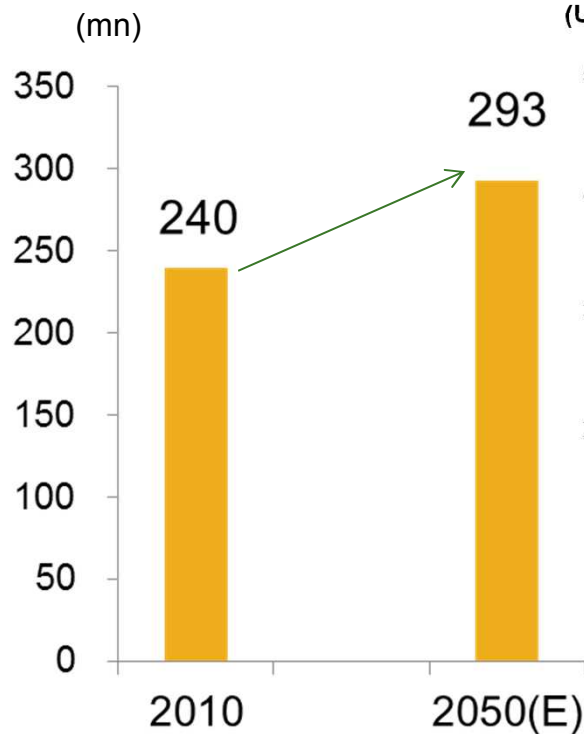


(1) Insurance Penetration Rate : Total Premium Income / Total GDP



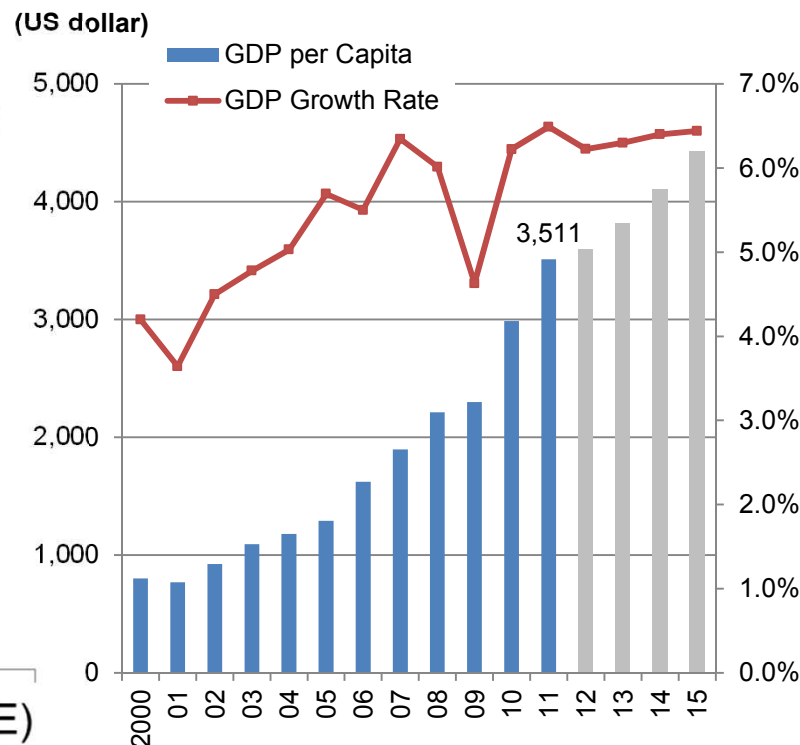
- The population of Indonesia amounts approx. 240mn and is expected to grow to over 290mn in 2050.
- Indonesian life insurance market has shown significant growth supported by its strong economy. (Industry premium income grew by 25.6% CAGR in the past ten years)
- Life ins. penetration rate remains low (1.1%), providing huge growth potential – industry premium income is expected to grow by approx. 15% for the next ten years in Indonesia.

Indonesia Population



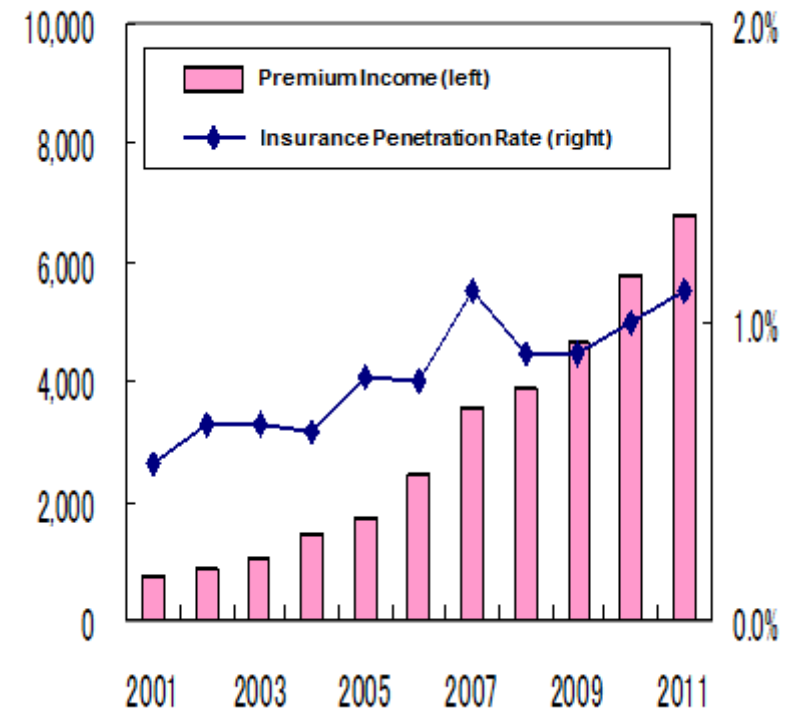
(Source) United Nations

GDP per Capita



(Source) Dai-ichi Life, based on IMF's information

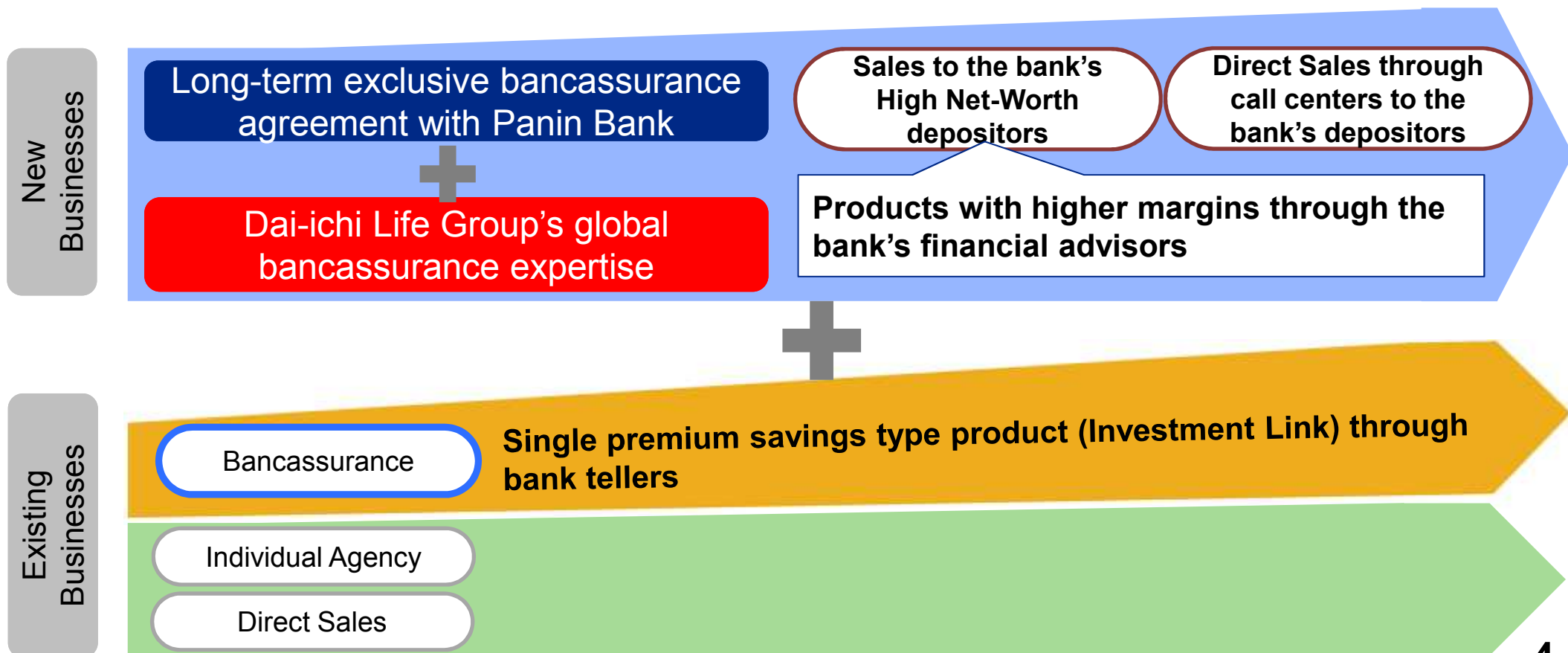
Premium Income and Life Ins. Penetration Rate



(Source) Swiss Re

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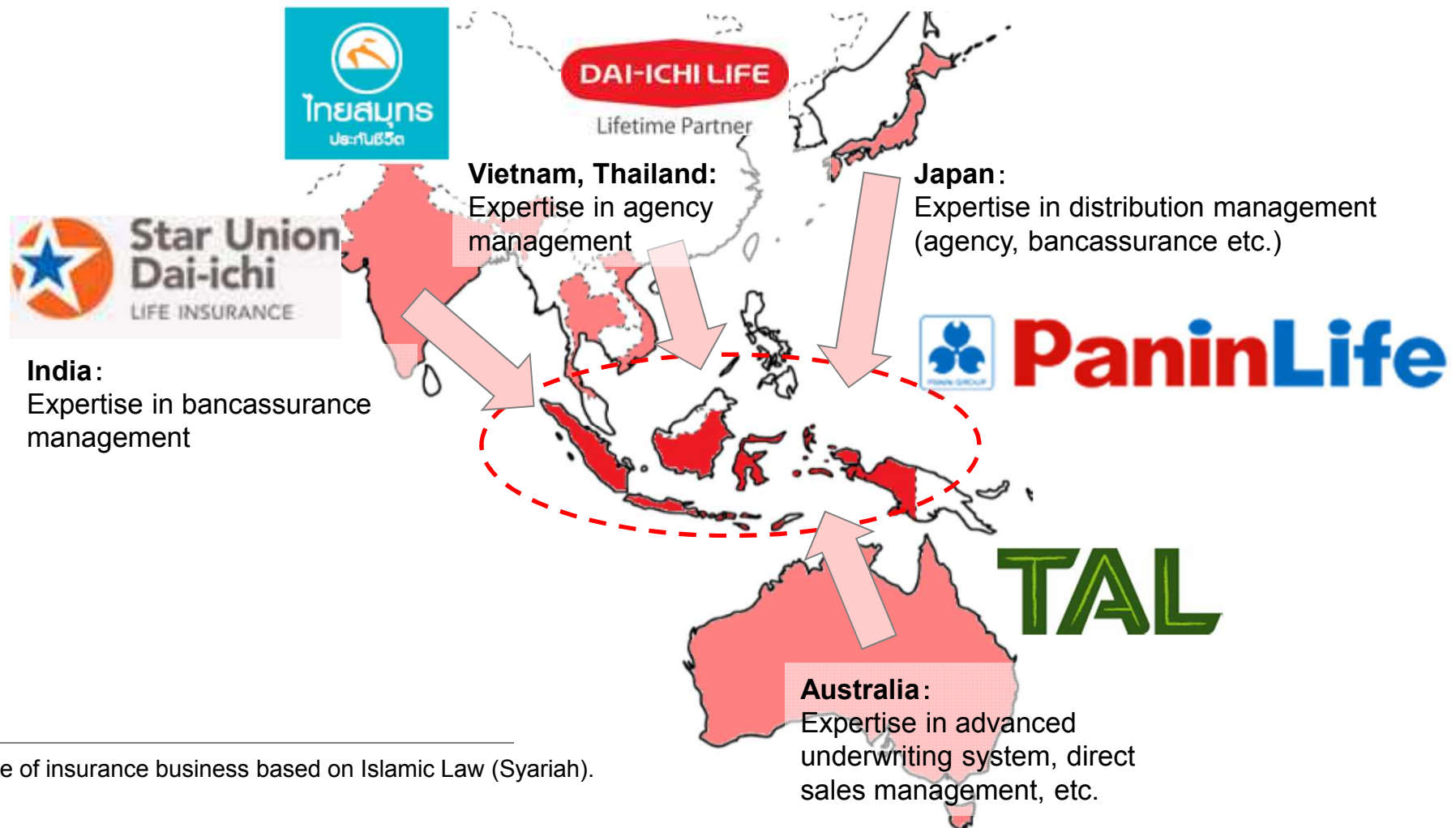
- Panin Life has entered into a long-term exclusive bancassurance agreement with Panin Bank. By leveraging the Bank's customer base and Dai-ichi Life Group's global bancassurance expertise, we will pursue sales of products with higher margins.
- Also, with Dai-ichi Life's expertise on product and channel development, we will expand existing businesses of Panin Life, such as individual agency, bancassurance and direct sales through call centers, etc.





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- We will constantly pursue growth in excess of the market by sharing various expertise not only from Dai-ichi Life but also from our existing overseas operations.
- Dai-ichi Life will strategically seek to enhance its presence in the Takaful<sup>(1)</sup> market by leveraging the investment in Panin Life, which already owns a Takaful license.



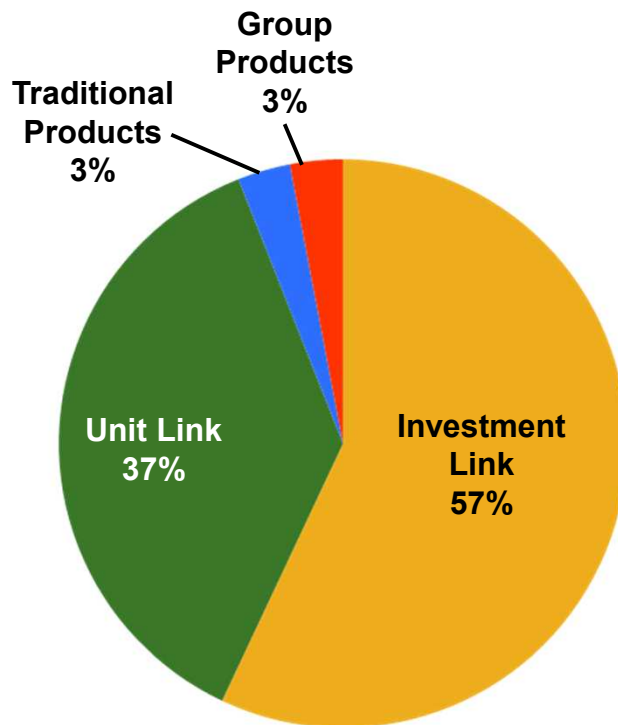
(1) Takaful is a type of insurance business based on Islamic Law (Syariah).



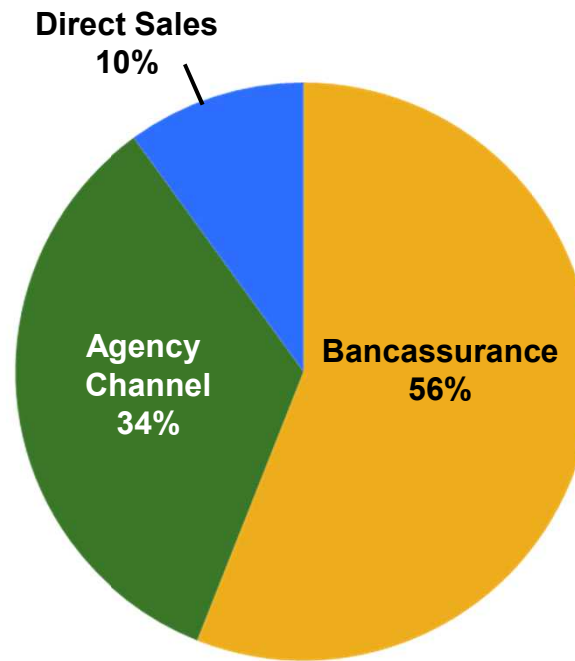
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- Panin Life's Distribution Channels: Agency, Bancassurance etc.
- Panin Life has achieved growth in excess of the market average and its market ranking has improved in recent years. ( Ranked 15th → Ranked 12th )
- Panin Life already holds a Takaful license.

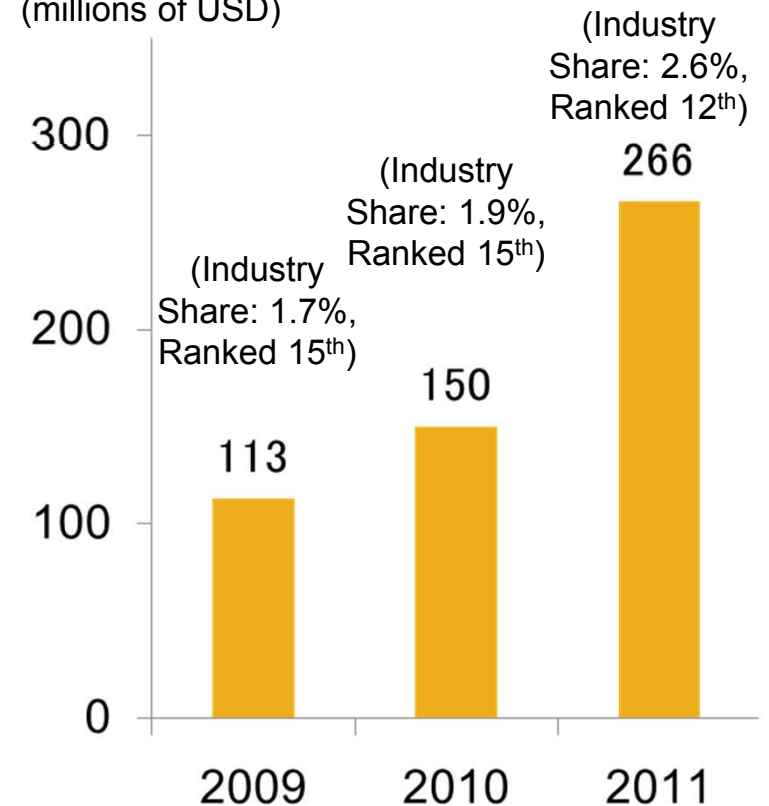
Annualized Net Premium from New Business by Product (2012)



Annualized Net Premium from New Business by Channel (2012)

Premium Income Growth<sup>(1)</sup>

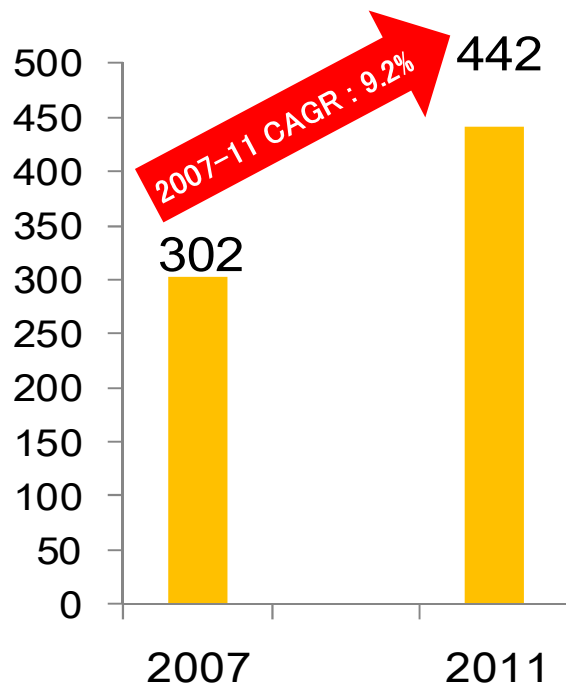
(millions of USD)



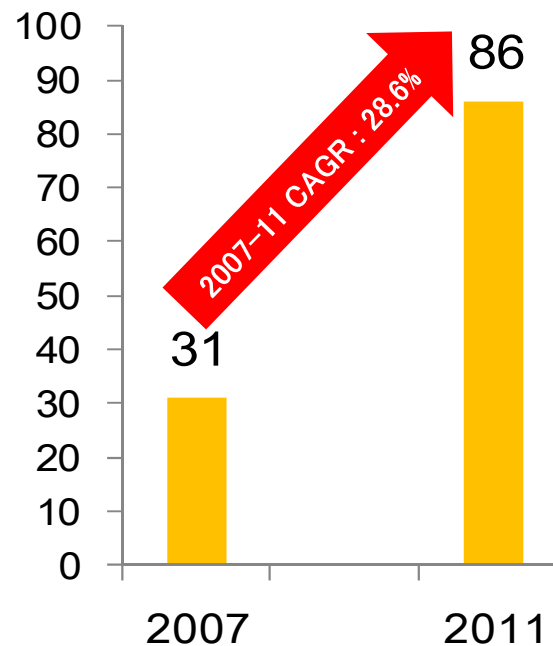
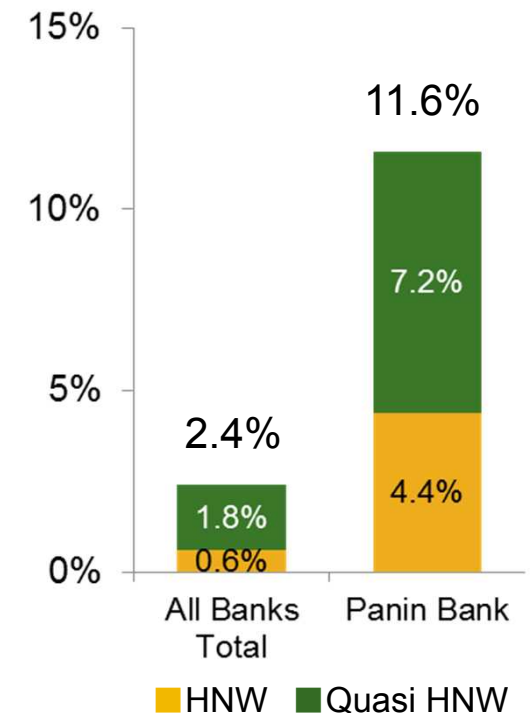
(1) 1USD=9,175IDR, Source: Indonesia Life Insurance Association

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- Panin Bank is the 6th largest bank in Indonesia and one of the core entities of the Panin Group
- Publicly listed on the Jakarta Stock Exchange since 1982
- Branch network of over 400 branches throughout the nation, to be further enhanced going forward
- Strong customer base in high net worth segment
- Exclusive bancassurance agreement will help leverage the Panin Group's strong customer base

Number of Branches <sup>(1)</sup>Deposit Balance <sup>(1)</sup>

(trillions of IDR)

High Net Worth Depositors <sup>(2)</sup>

(1) Source: Dai-ichi Life, based on Panin Bank's disclosure

(2) Source: Dai-ichi Life, based on Indonesia Deposit Insurance Corporation's disclosure.

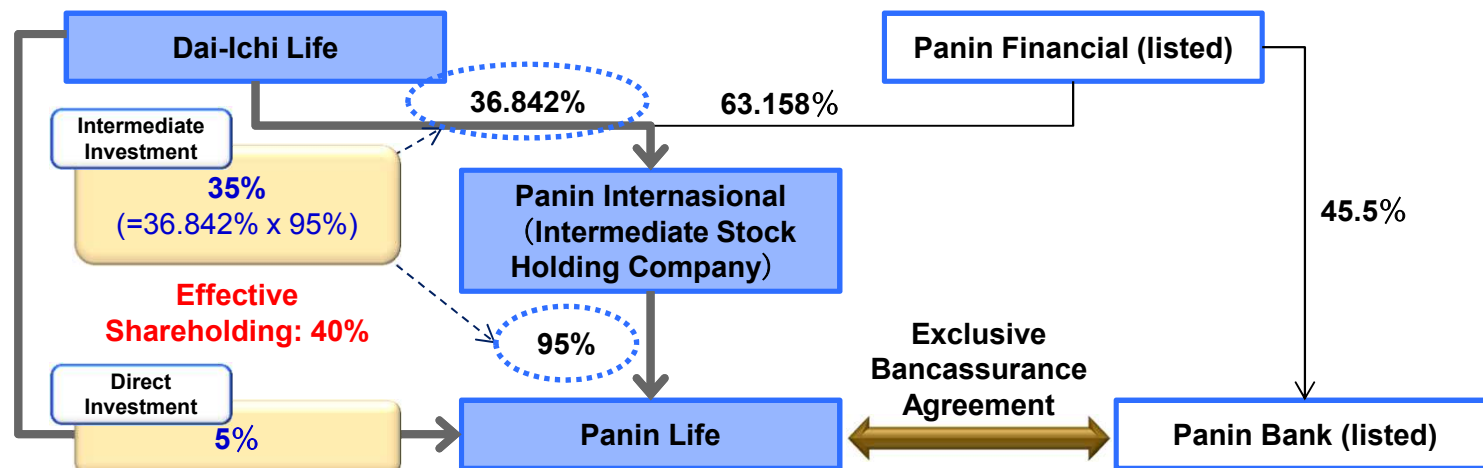
Number of deposit accounts; HNW: holds JPY 5 million and above in bank account; quasi HNW: holds JPY 1 million and above but less than 5 million

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## ■ Overview of Panin Life

Company Name	PT Panin Life
Year of Establishment	1974
Location of Headquarters	Jakarta, Indonesia
Publicly listed / not	Unlisted
Shares to be owned by Dai-ichi	(direct and indirect collectively) 40%
Premium Income	IDR 2,215.8 billion (Approx. 23.0 billion Yen) (FY 2012)
Net profit after-tax	IDR 120.3 billion (Approx. 1.2 billion Yen) (FY 2012)
Market Ranking	Ranked 12th out of 45 Companies (Based on FY 2011 Premium Income)

## ■ Share Subscription Structure



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## Investor Contact

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