

Dai-ichi Life Group's ERM

Seiji Inagaki,
Director, Managing Executive Officer, General Manager,
Corporate Planning Department

By your side, for life

DAI-ICHI LIFE

Discipline

Enterprise Risk Management (ERM) constitutes one of the four pillars of our medium-term management plan in which the Group shall achieve medium-to long-term improvement in corporate value by maintaining financial soundness through adequate risk control and efficient allocation of capital in growth business.

Financial Soundness

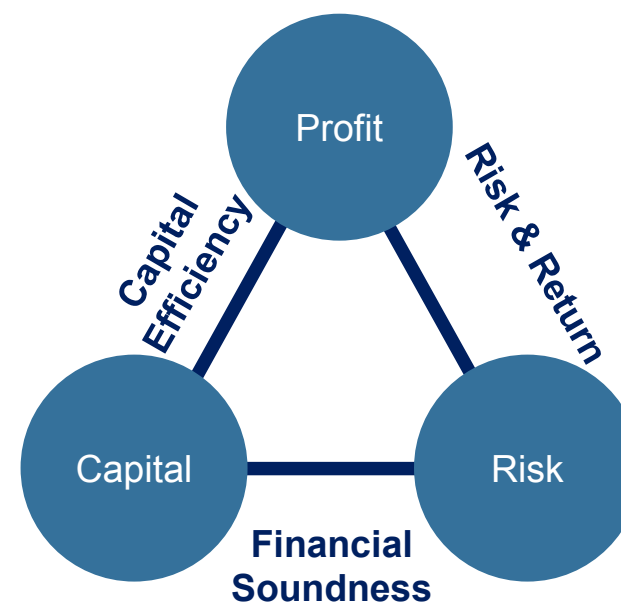
Current Solvency Requirement
Change in capital requirement in sight } Adequate risk control

Investment in Growth

Acceleration of growth through efficient capital allocation
(allocation based on cost of capital, cash flow management)

Shareholder Return

Meeting targets in Medium-Term Management Plan
through balanced allocation of capital in view of financial
soundness, internal reserve for investment in growth



Financial Soundness from different viewpoints

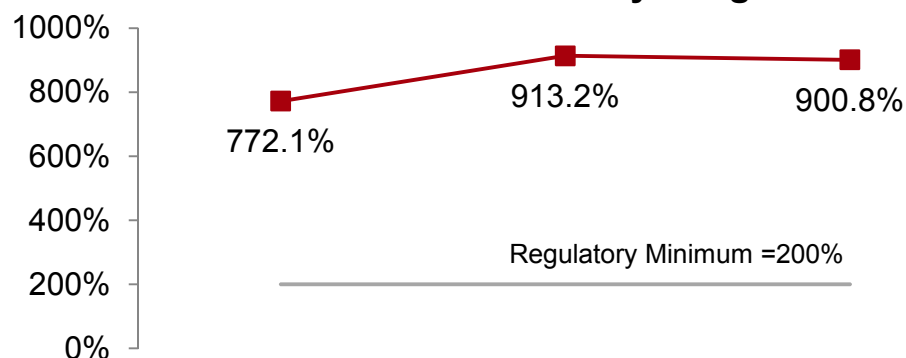
By your side, for life

DAI-ICHI LIFE

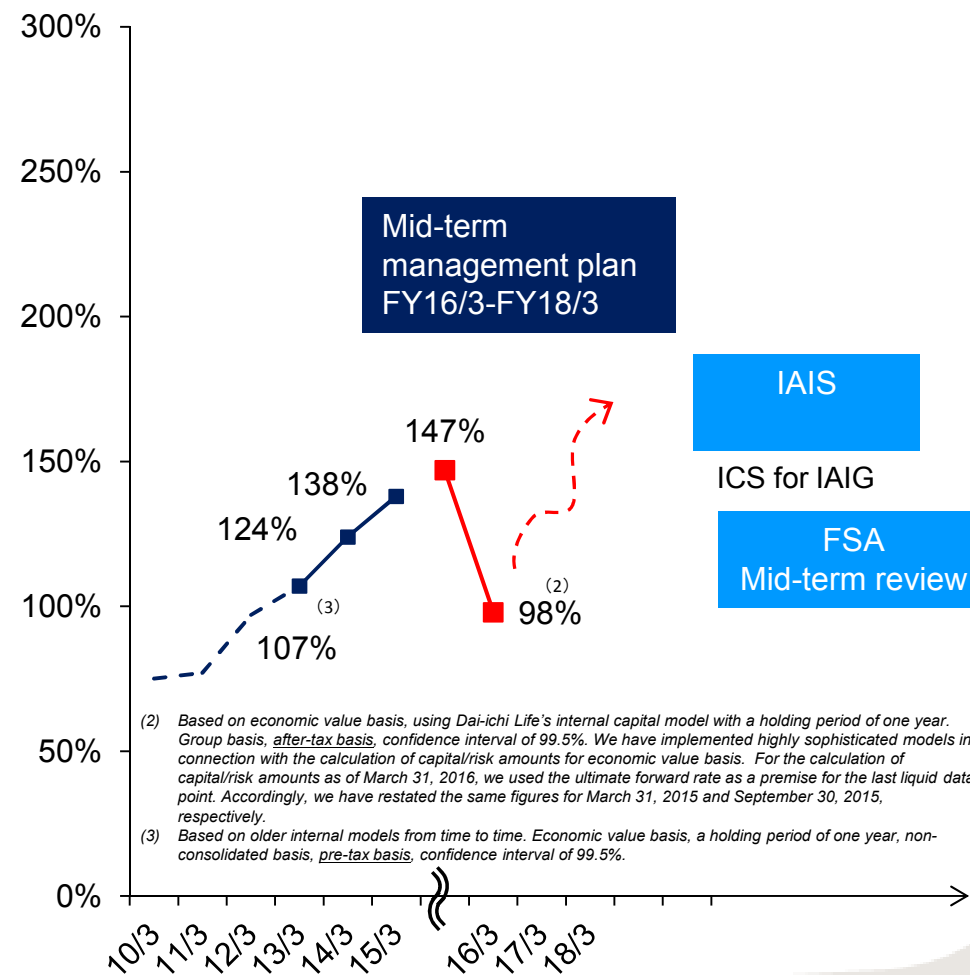
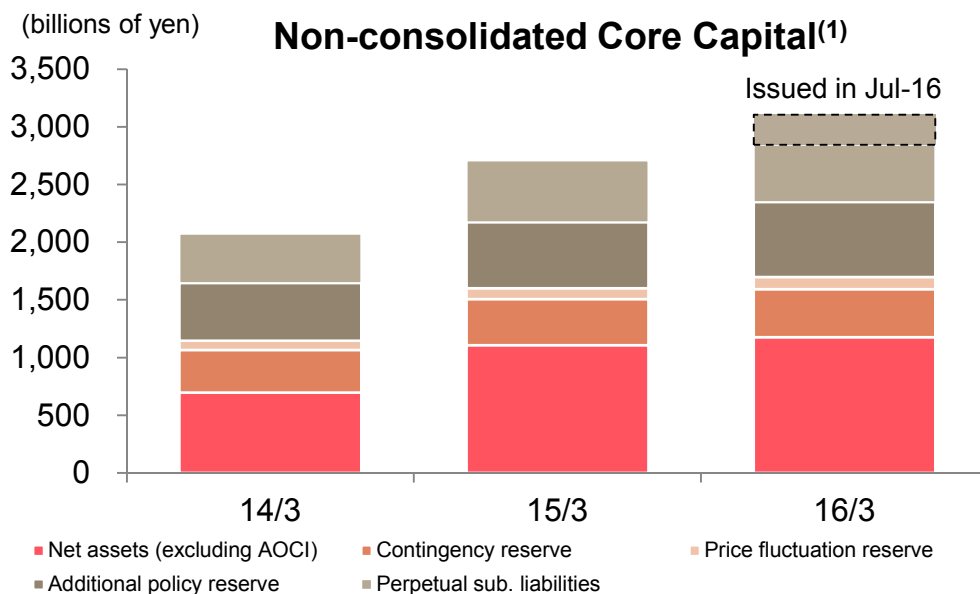
Current Solvency Margin (accounting base)

Economic value based solvency in the future

Non-consolidated Solvency Margin Ratio



Non-consolidated Core Capital⁽¹⁾

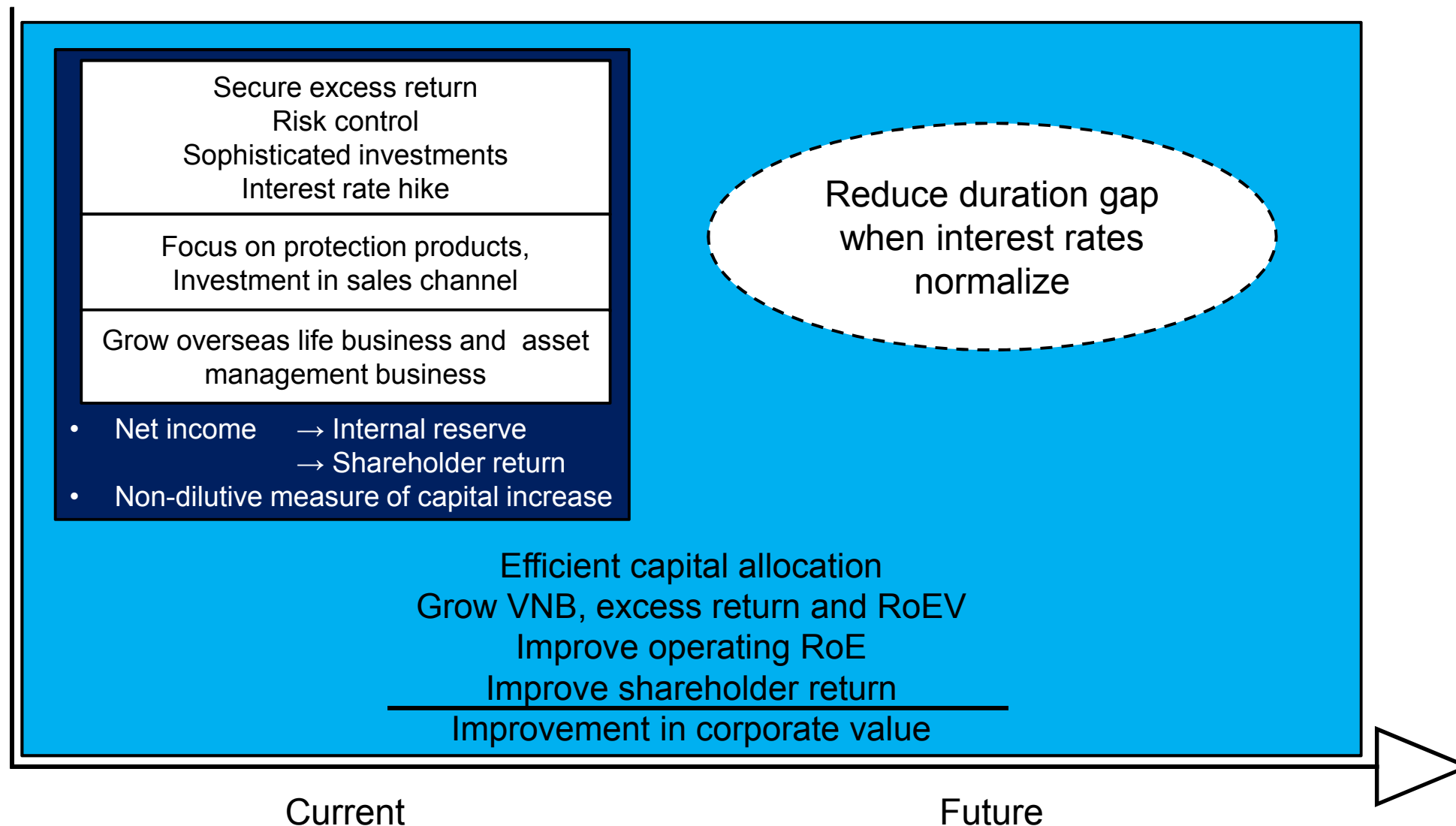


(1) Net assets = total net assets – valuation and translation adjustments. After tax basis. Effective statutory tax rates for March 31, 2014, March 31, 2015, and March 31, 2016 were 30.68%, 28.76% and 27.92%, respectively.

Value Creation through ERM

By your side, for life

DAI-ICHI LIFE



Dai-ichi Life Group's Reaction to the Negative Interest Rates


By your side, for life

DAI-ICHI LIFE

<Dai-ichi Life>

Individual insurances & annuities

- ✓ Reducing assumed rate of return on single premium whole life (Jan-16 onwards)
- ✓ Reduced availability of prepayment (Apr-16)
- ✓ Reduced discount rate on prepayment and return rates on claims deposit




Shifting focus on protection-type products

Group Insurance

- ✓ Defined Benefit: Control general account in-force and promote Separate Account Bond Fund and Separate Account Balanced Fund II
- ✓ Defined Contribution: Promote sale of mutual funds

<Dai-ichi Frontier Life>

- ✓ Stopped sales of yen-denominated fixed annuity (Feb-16)
- ✓ Stopped sales of yen-denominated fixed whole life (Mar-16)

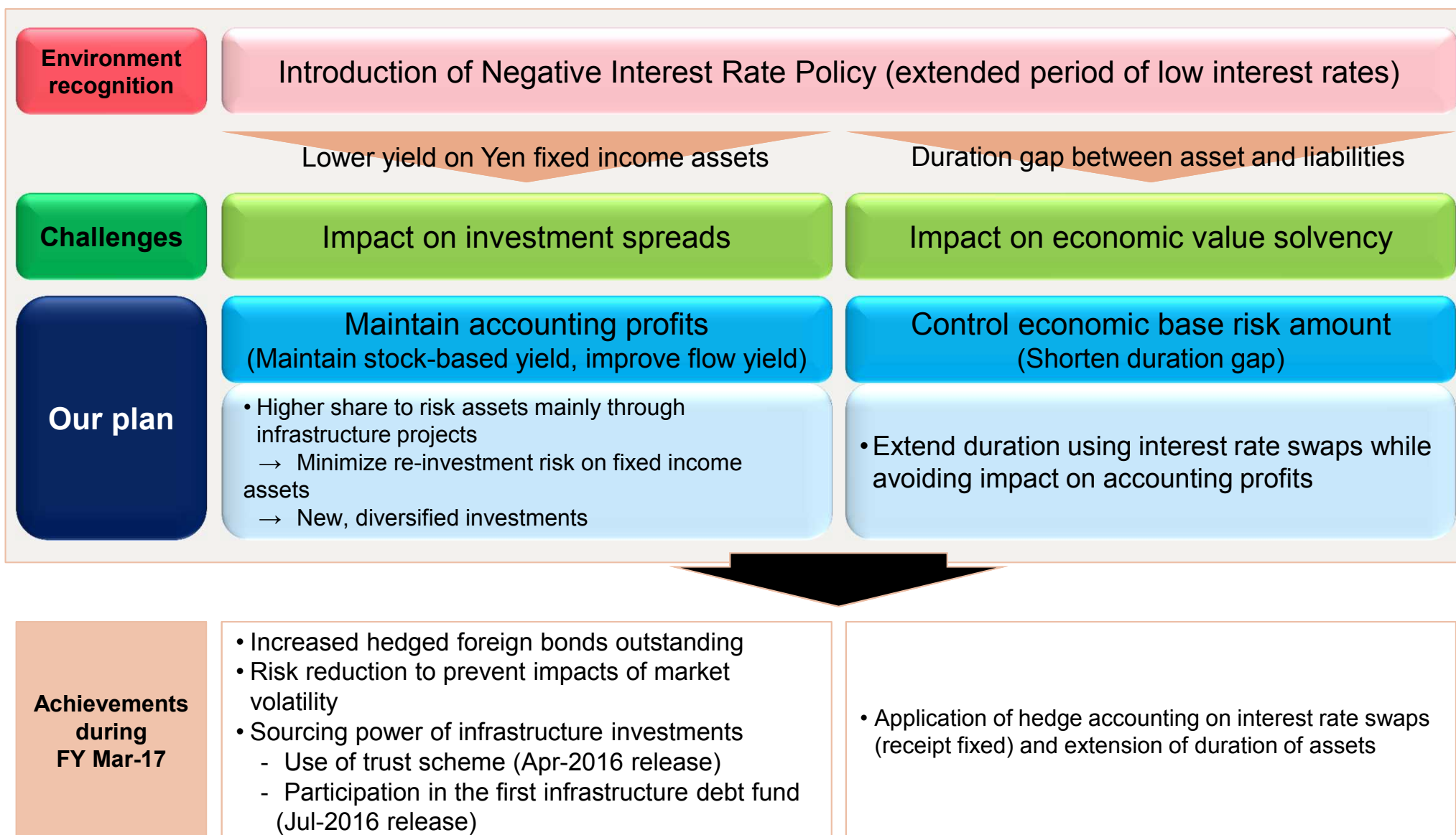


Shifting focus on foreign-currency products

Current Investment Policy

By your side, for life

DAI-ICHI LIFE



Continuing Investment for Future Growth

By your side, for life

DAI-ICHI LIFE

In June 2016, Dai-ichi Life agreed to increase its shareholding in Star Union Dai-ichi Life to 44% from 26%

Star Union Dai-ichi Life Insurance

DAI-ICHI LIFE

Lifetime Partner

In July 2016, Dai-ichi Life established a representative office in Cambodia. The Group will study opportunities to develop business in Mekong Delta together with Dai-ichi Life Vietnam and Singapore Regional Headquarters



PaninDai-ichiLife
By your side, for life

TAL

By your side, for life

DAI-ICHI LIFE



The Dai-ichi Frontier Life Insurance Co., Ltd.

「あつたらいいな」をいちばんに。
ネオファースト生命
第一生命グループ

Asset Management
One

Protective.

In August 2016, Protective Life agreed to acquire United States Warranty Corp



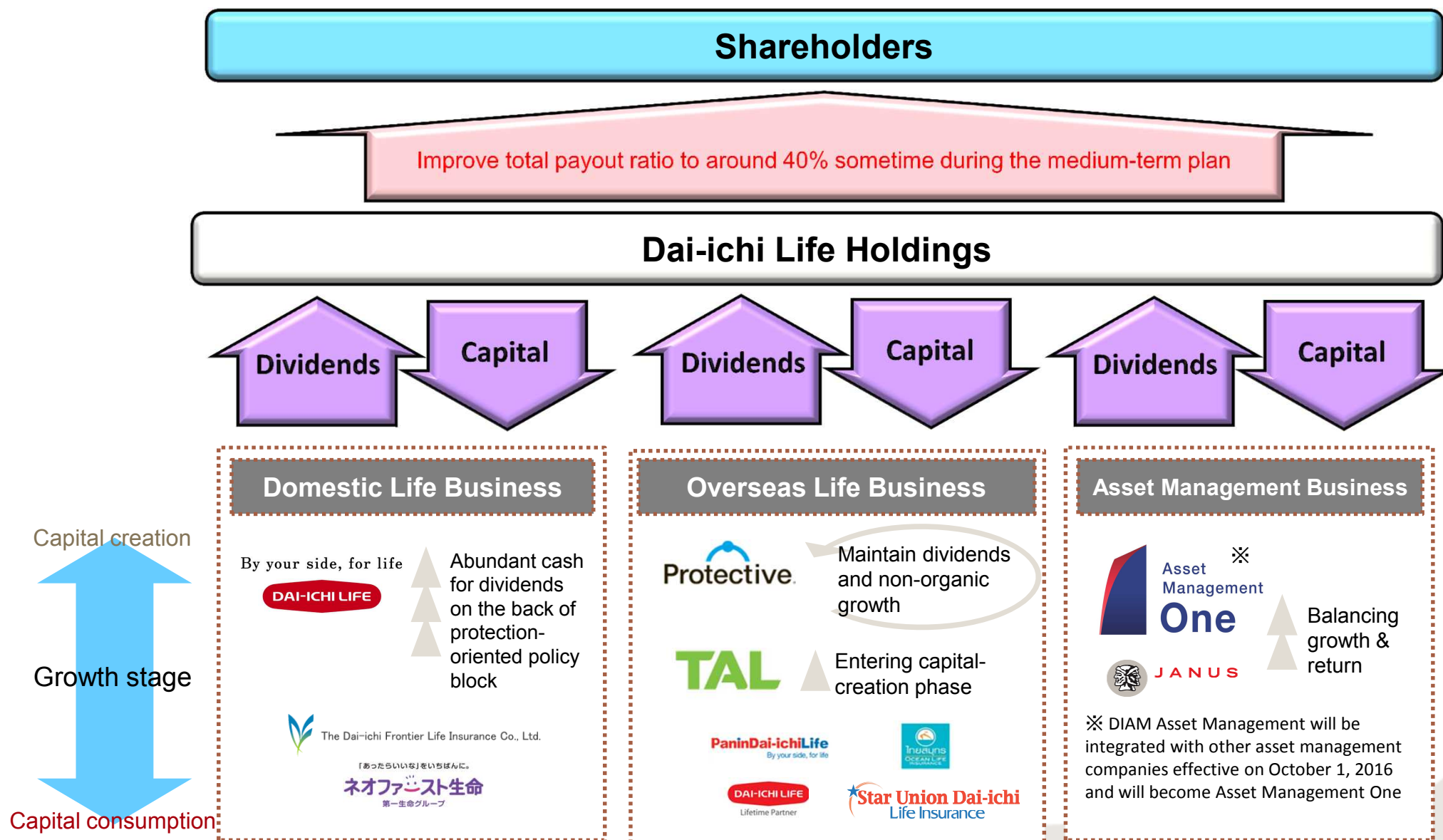
JANUS

※ DIAM Asset Management will be integrated with other asset management companies effective on October 1, 2016 and will become Asset Management One

Cash Flow Management and Shareholder Return

By your side, for life

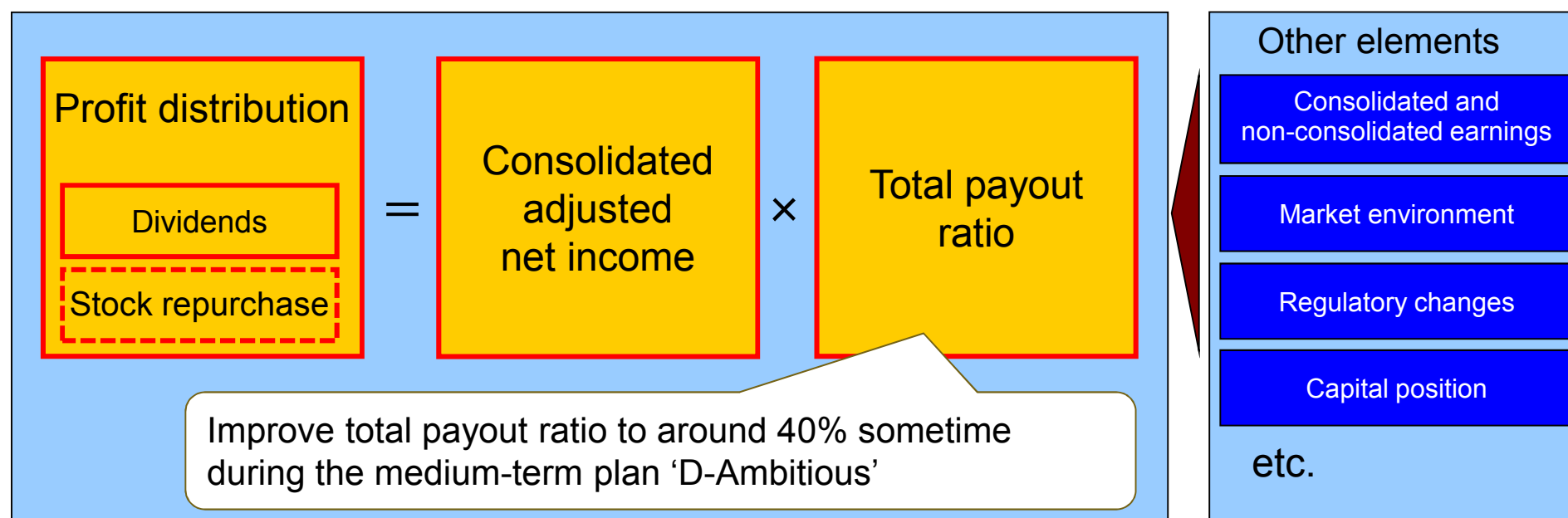
DAI-ICHI LIFE



Shareholder Return Policy

[Basic Shareholder Return Formula]

The Group plans to improve total payout ratio through a combination of stable dividends and active deployment of stock repurchases based on the trends in earnings and other elements



The Dai-ichi Group considers consolidated adjusted net income as an indicator of the Group's real profitability. It is calculated by adding (subtracting) items such as provision for (reversal of) contingency reserve and/or price fluctuation reserve, after tax, to consolidated net income

This page is intentionally left blank.