

# Domestic Insurance Business Strategy

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Director, Senior Managing Executive Officer

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## Growth Initiatives for Domestic Insurance Business

~ Catering to the changing needs of our customers ~

**Product offerings through three operating companies to meet the needs of the customers**

**Further strengthen sales channels**

- ✓ **Sophistication of Total Life Plan Designers**
- ✓ **Strategy for diversification of sales channels**

**Identify growth areas in the medium to long term**

# 1 . Three Brands Strategy: = Domestic Life Market and Dai-ichi Group =

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Optimizing three brands and diversified channels to cater to the changing needs of our customers

<b>Customer characteristics</b>	<b>Prefers consulting for services with high value added</b>			<b>Prefers comparison, simple products &amp; procedures, proactively seeking information</b>		
<b>Distribution channels</b>	<b>Sales representatives</b>	<b>Agents</b>	<b>Bancassurance</b> (single premium, saving)	<b>Bancassurance</b> (level premium, protection)	<b>Walk-in insurance shops etc.</b>	<b>Direct, Internet</b> Leaflet, direct mails etc.
<b>Main players</b>	<b>Major players</b>	<b>P/C and foreign players</b>	<b>Bancassurance specialists and major players</b>	<b>Foreign &amp; P/C</b>	<b>Foreign, P/C &amp; other new players</b>	<b>Internet, foreign players, mutual associations</b>
<b>Market (maturity, size)</b>	<b>Matured, Large</b>		<b>Relatively matured, Medium</b>		<b>Immature, Small</b>	

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

「あつらいいな」をいちばんに。  
**ネオファースト生命**  
第一生命グループ



# 1 . Three Brands Strategy:

= React to the Shift in Channel Distribution =

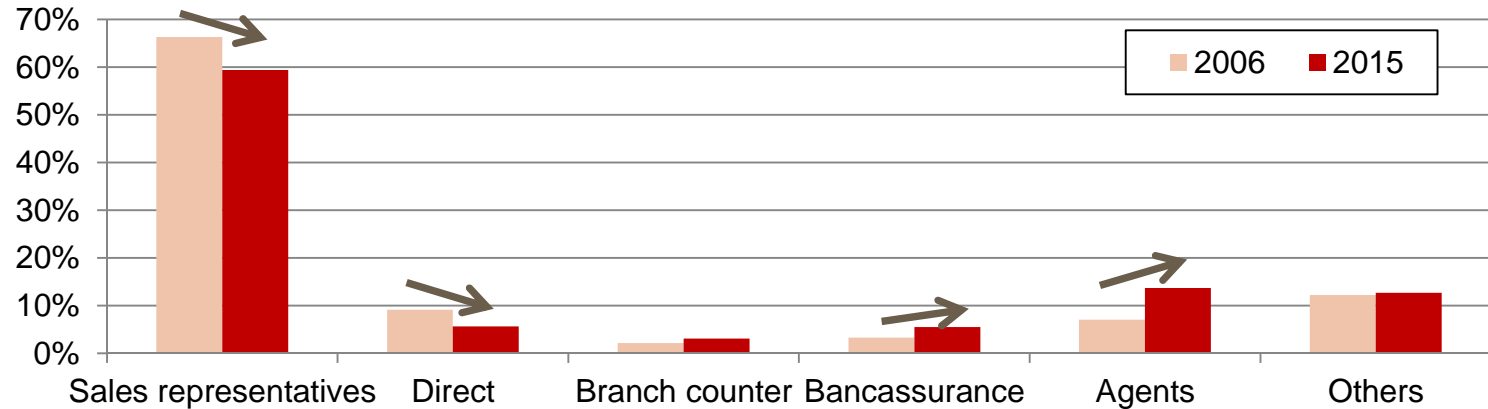
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Optimized product & channel mix to cater to the changing needs of the customers

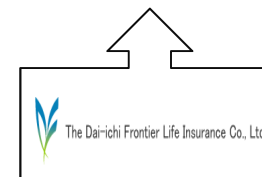
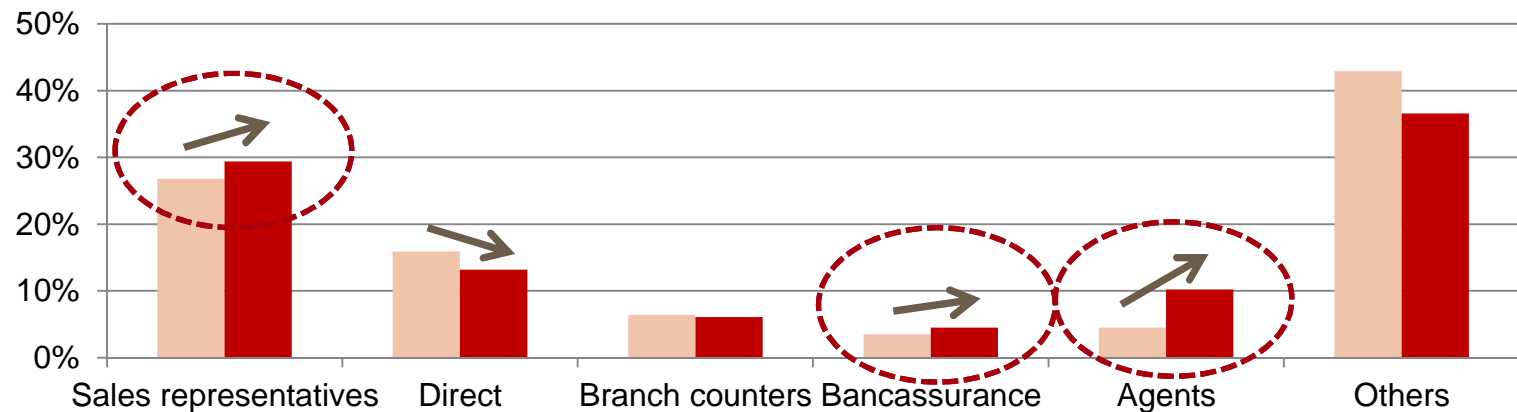
**Recently bought policies through...**

(During the past five years)



**Interested in buying policies through...**

(Asked if he/she would buy yet new policies)



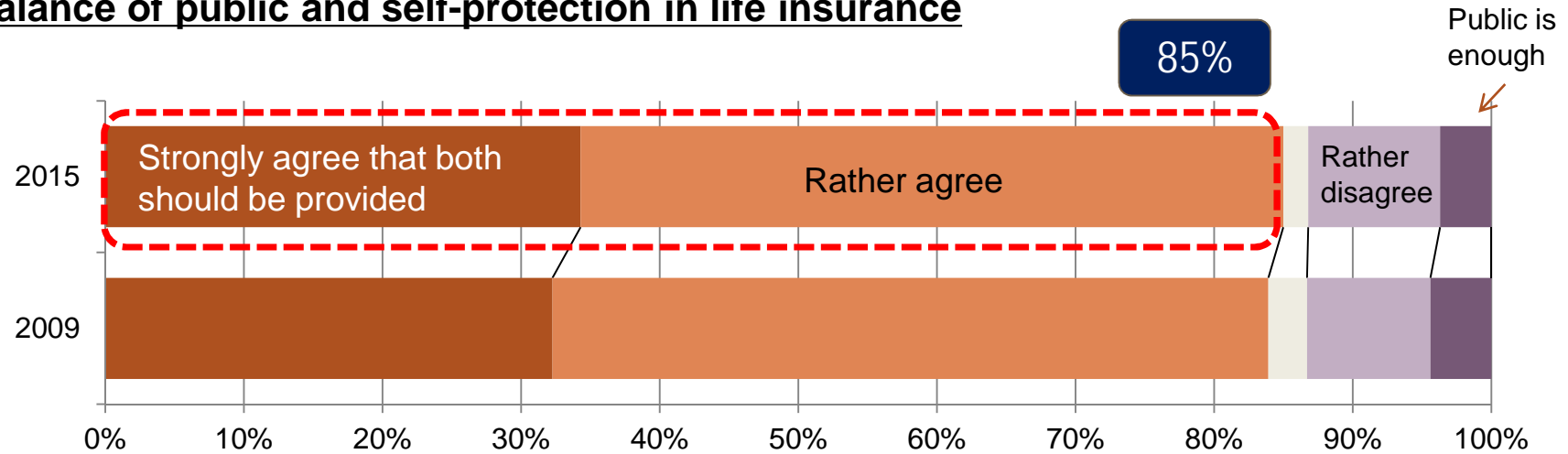
(Note) Direct mail include Internet sales. Agents includes walk-in shops. Others include post office, workplace reference and unions and others.  
 (Source) Japan Institute of Life Insurance "National Survey of Life Insurance Business" based on 4,020 samples out of ordinary families of two or more as of April and May 2015.

# 1 . Three Brands Strategy: = Changing Customer Needs =

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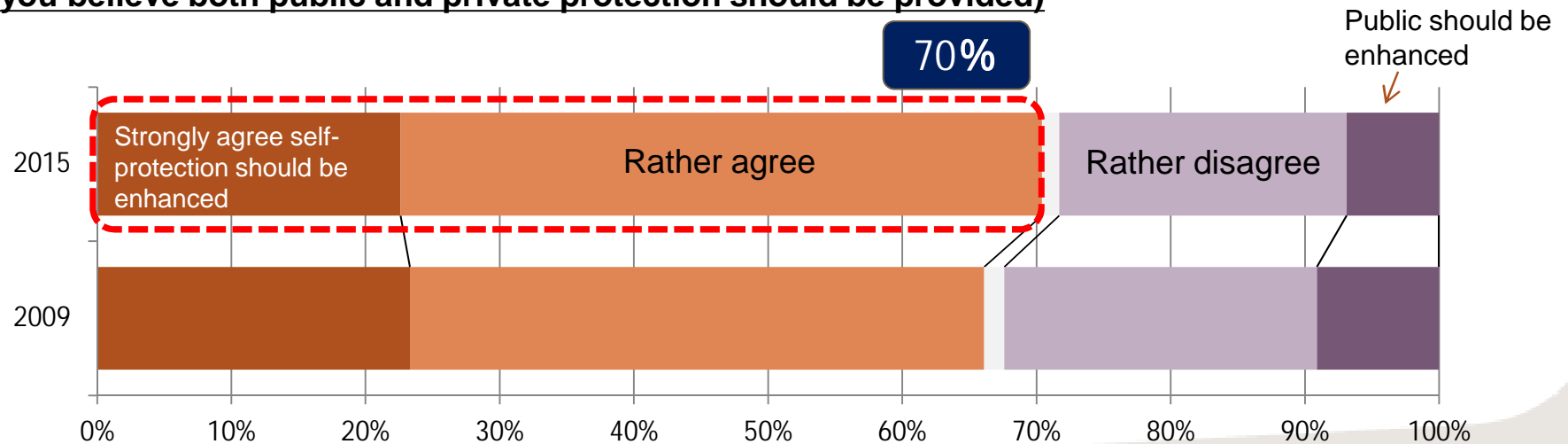


## Balance of public and self-protection in life insurance



## Priority of further enhancement

(if you believe both public and private protection should be provided)



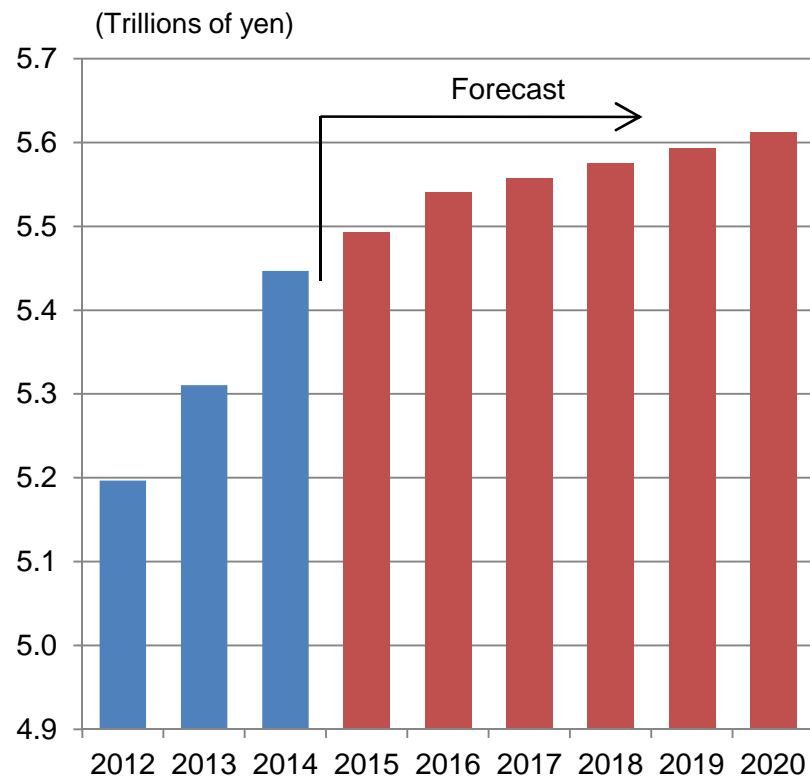
Source) Japan Institute of Life Insurance "National Survey of Life Insurance Business" based on 4,020 samples out of ordinary families of two or more as of April and May 2015

# 1 . Three Brands Strategy: = Growth in Medical and Saving Products =

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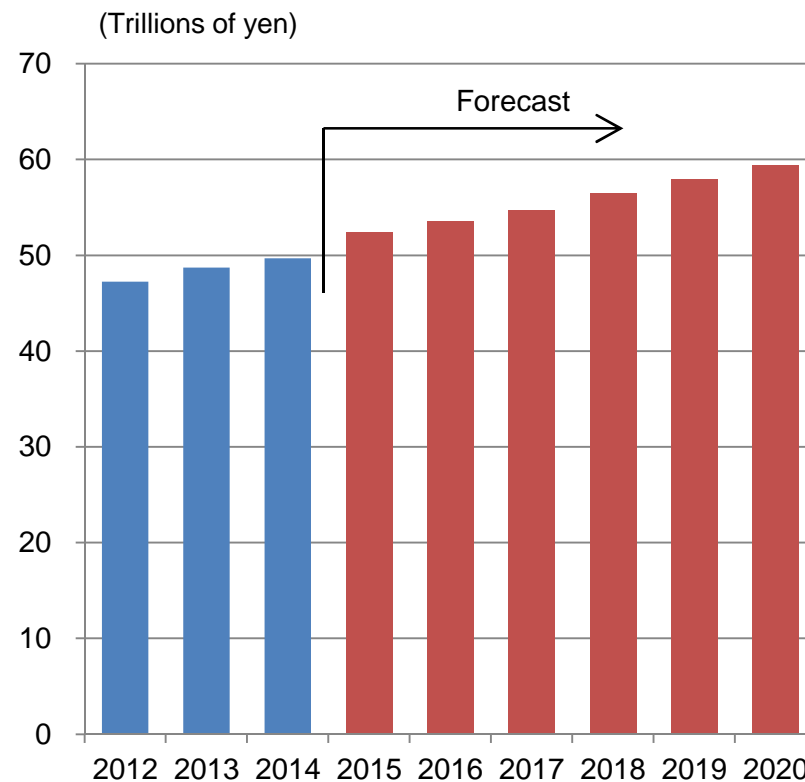
Annualized net premium of medical and other products



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Outstanding balance of single premium individual annuities



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(Source) Company forecast

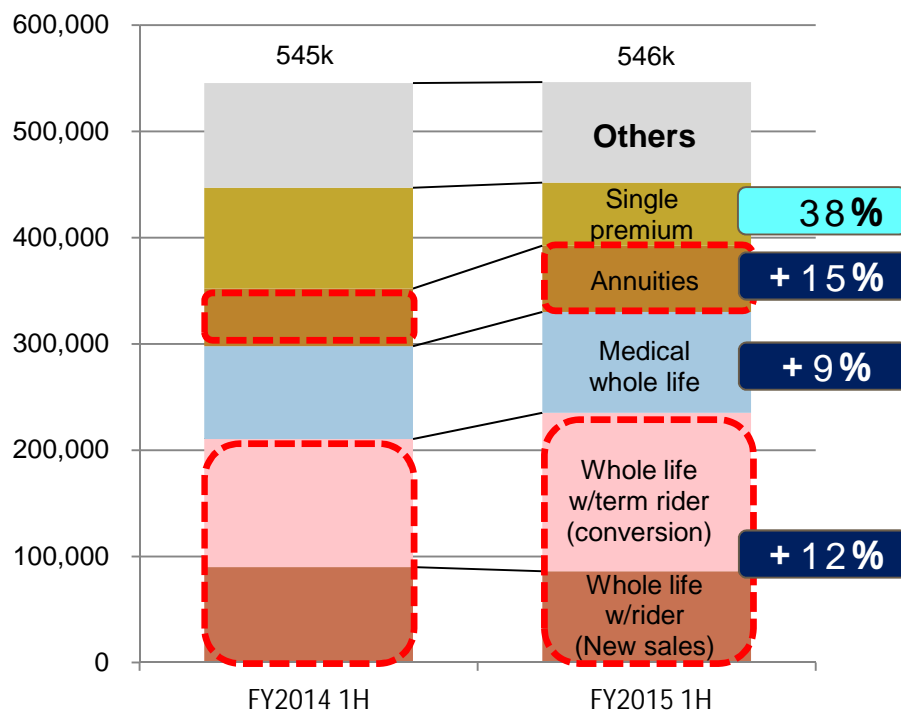
## 2 . Strengthening Sales Channel = Results from 1H FY Mar-16 =

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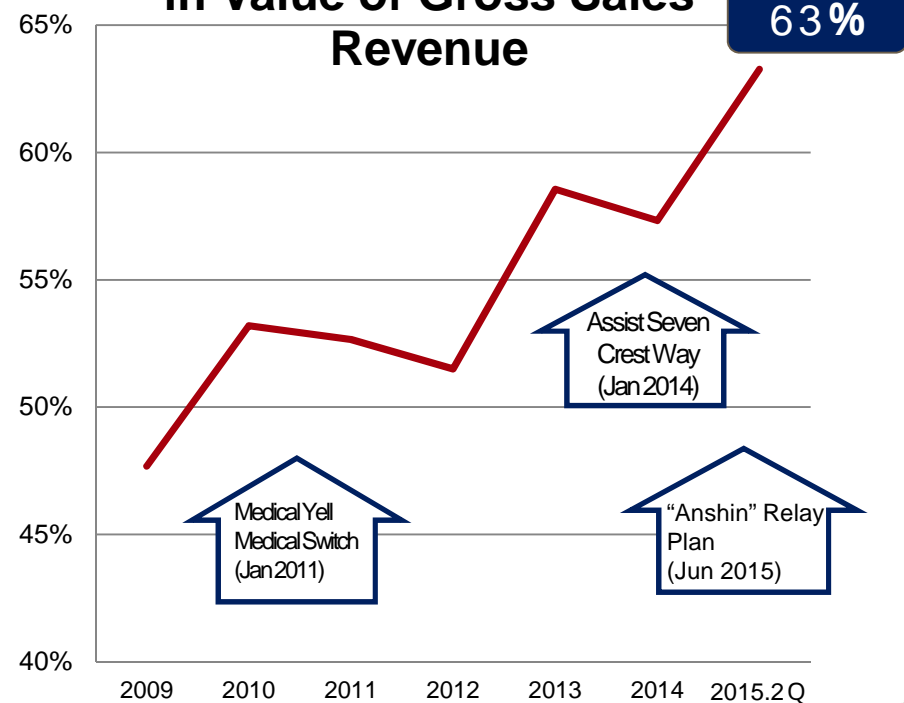
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- Sales promotion to increase core products and medical products through conversion
  - Introduction of partial conversion (June 2015)
- Sales promotion to address increased interest in advancement & succession plans
  - Expanded age scope for individual annuities (April 2015)

### Number of Sales by Products



### Share of Medical & Nursing in Value of Gross Sales Revenue



(Note) Value of gross sales revenue is an internal indicator of sales which represents present value of future 50 years of cash flow from risk margins and loadings of new business. 6

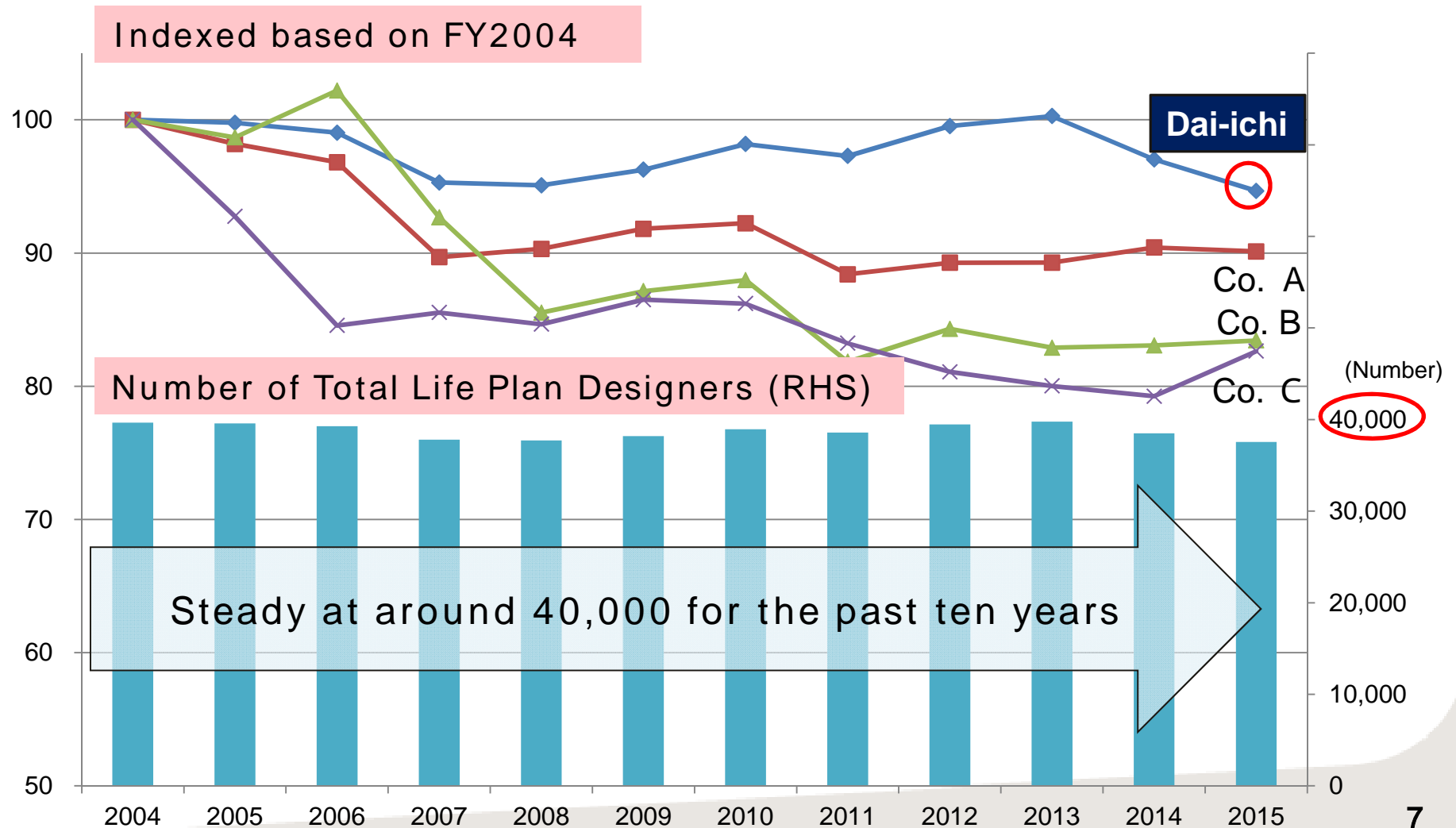
## 2 . Strengthening Sales Channel

= Number of Total Life Plan Designers =

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Our core sales channel “Total Life Plan Designers” has been stable  
Some concern over recent decline

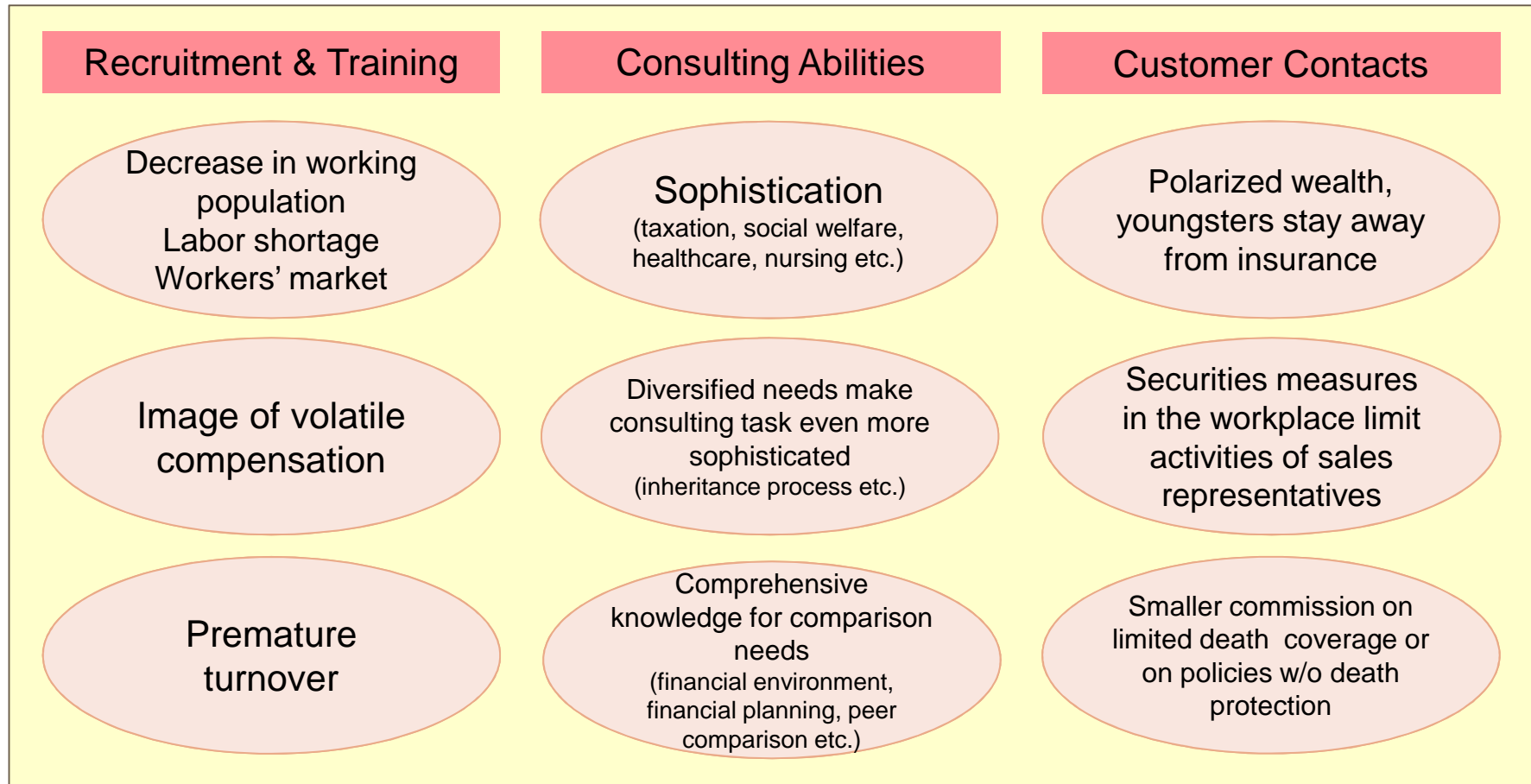




## 2 . Strengthening Sales Channel ~ Tough Time for Sales Representatives ~

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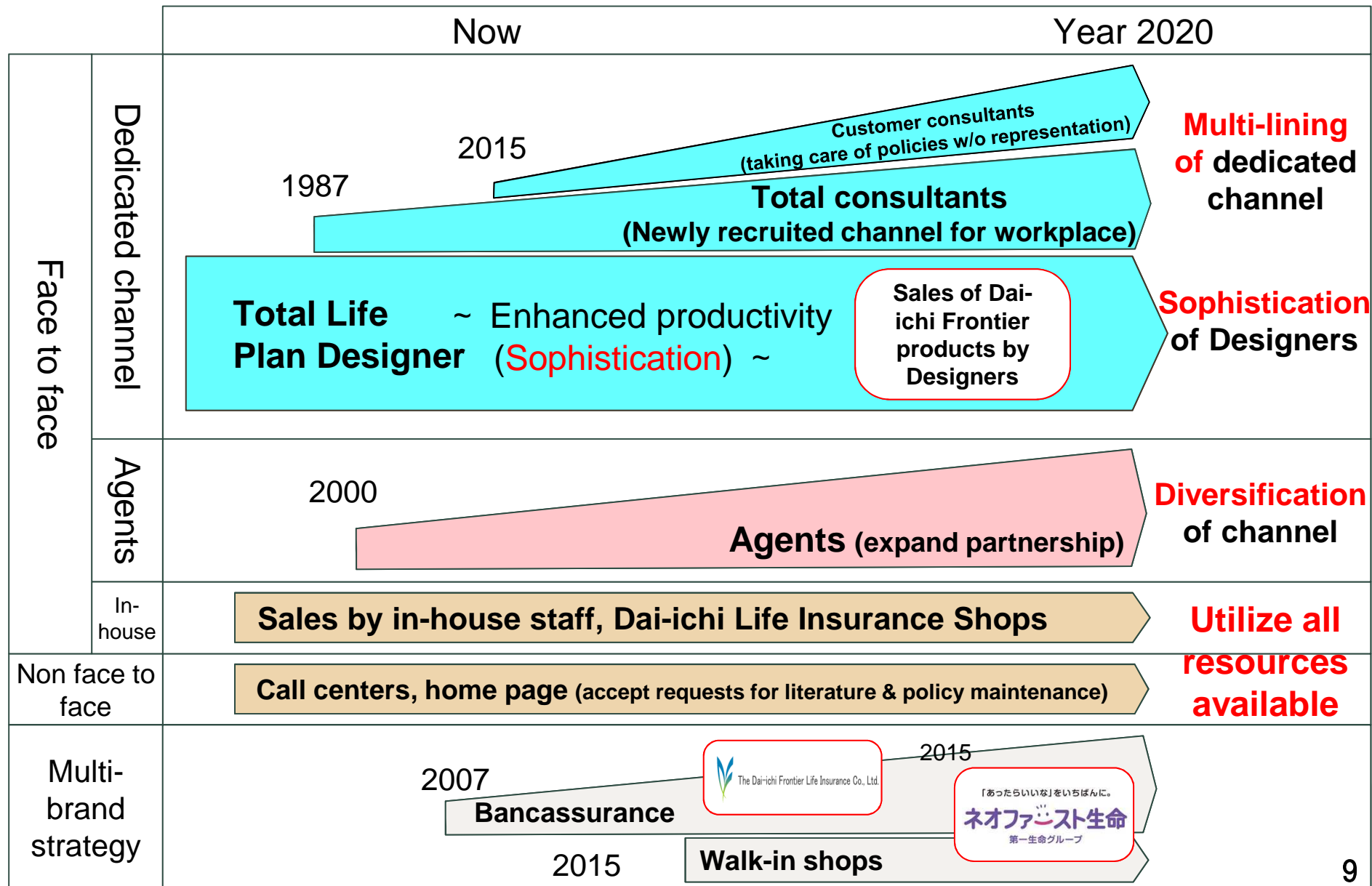


**Initiatives to maintain quality and quantity of sales representatives**

# 2 . Strengthening Sales Channel

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= Channel Distribution of Dai-ichi Life Group =



## 2 . Strengthening Sales Channel

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= Initiatives set in mid-term business plan =

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### Sophistication of Total Life Plan Designers

Recruiting

Training

Productivity

Comprehensive change in channel management to enhance productivity, maintain designer force

#### Revision of Sales Force Management

- Enhance sophistication through five-year training
- Implement compensation system to cultivate consultants

#### Standardization of activities

- Segment marketing based on study of customer awareness and action
- Cultivate sales potential from existing customer base

#### Competitive products & services

- Flexible conversion
- Sales of Dai-ichi Frontier products by Total Life Plan Designers

Multi-lining of sales representatives and diversification of channels

**Increase Total  
Consultants  
(Extended presence)**

**Expand Customer  
Consultants**

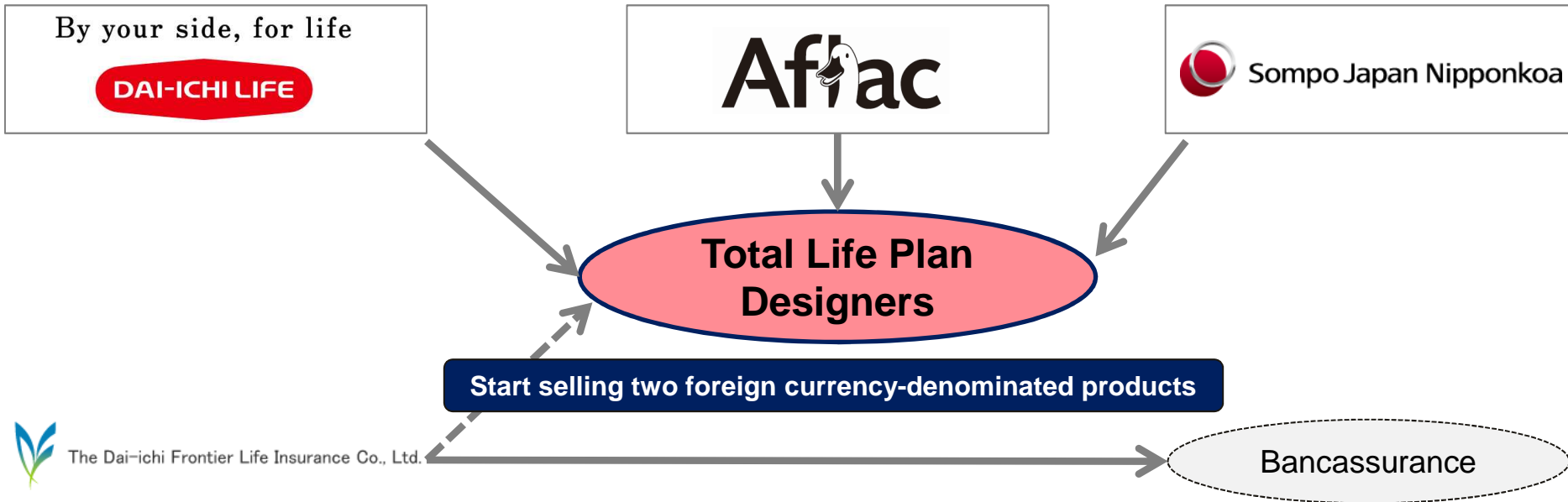
**Increase agents  
and partners**

# 2 . Strengthening Sales Channel = Sales of Dai-ichi Frontier Products by Designers

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<b>Aim of the Designers</b>	<b>Total Life Plan Designers should be able to give comprehensive consultation, including sophisticated financial products, to meet the diversified needs of the customers</b>
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## < Sales Plan >

May 2015

Sep 2015

May 2016

In-house Sales force

**Selected Designers in Tokyo Metro area**

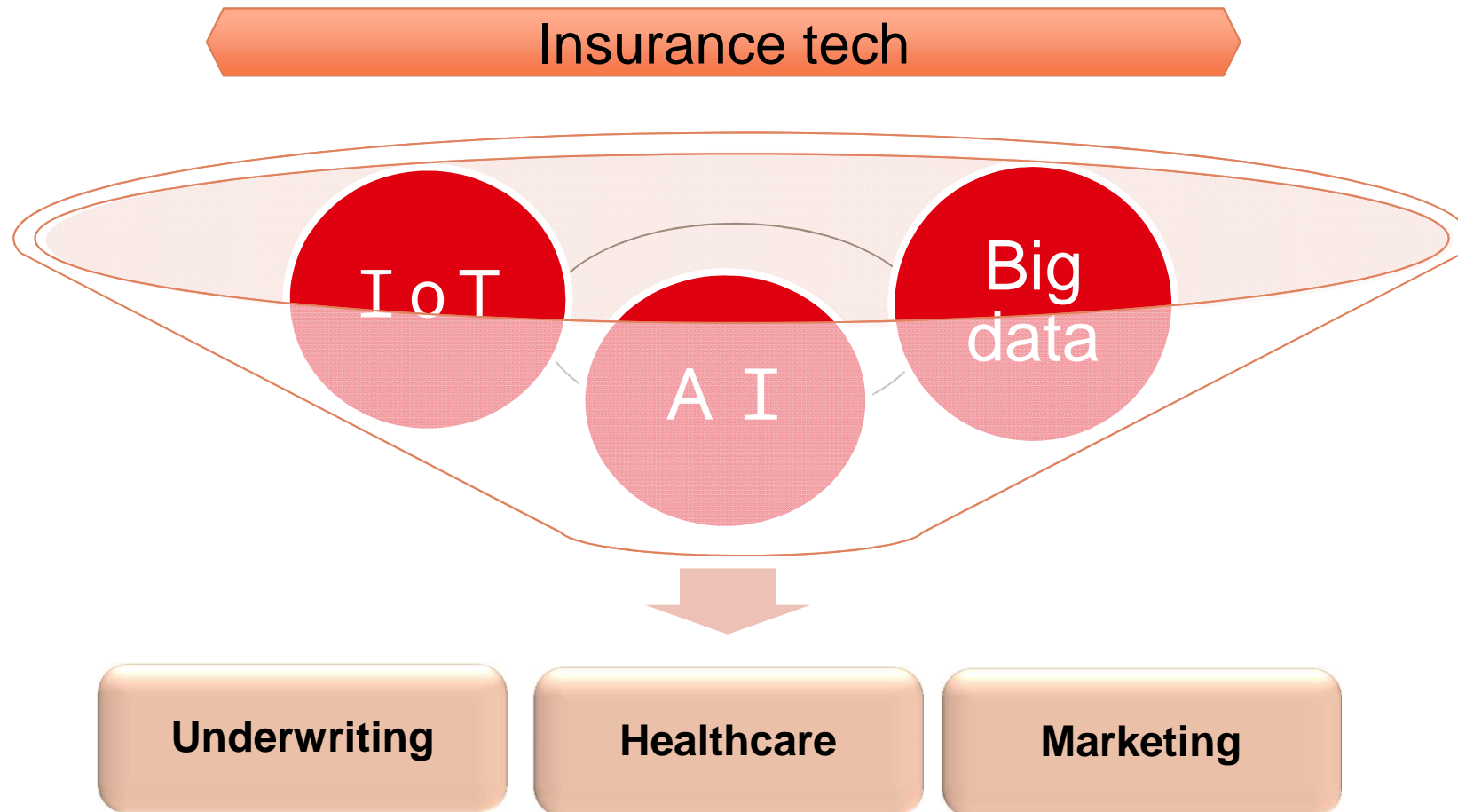
**Nationwide (plan)**

### 3 . Identify Opportunities over the Long term = Insurance tech =

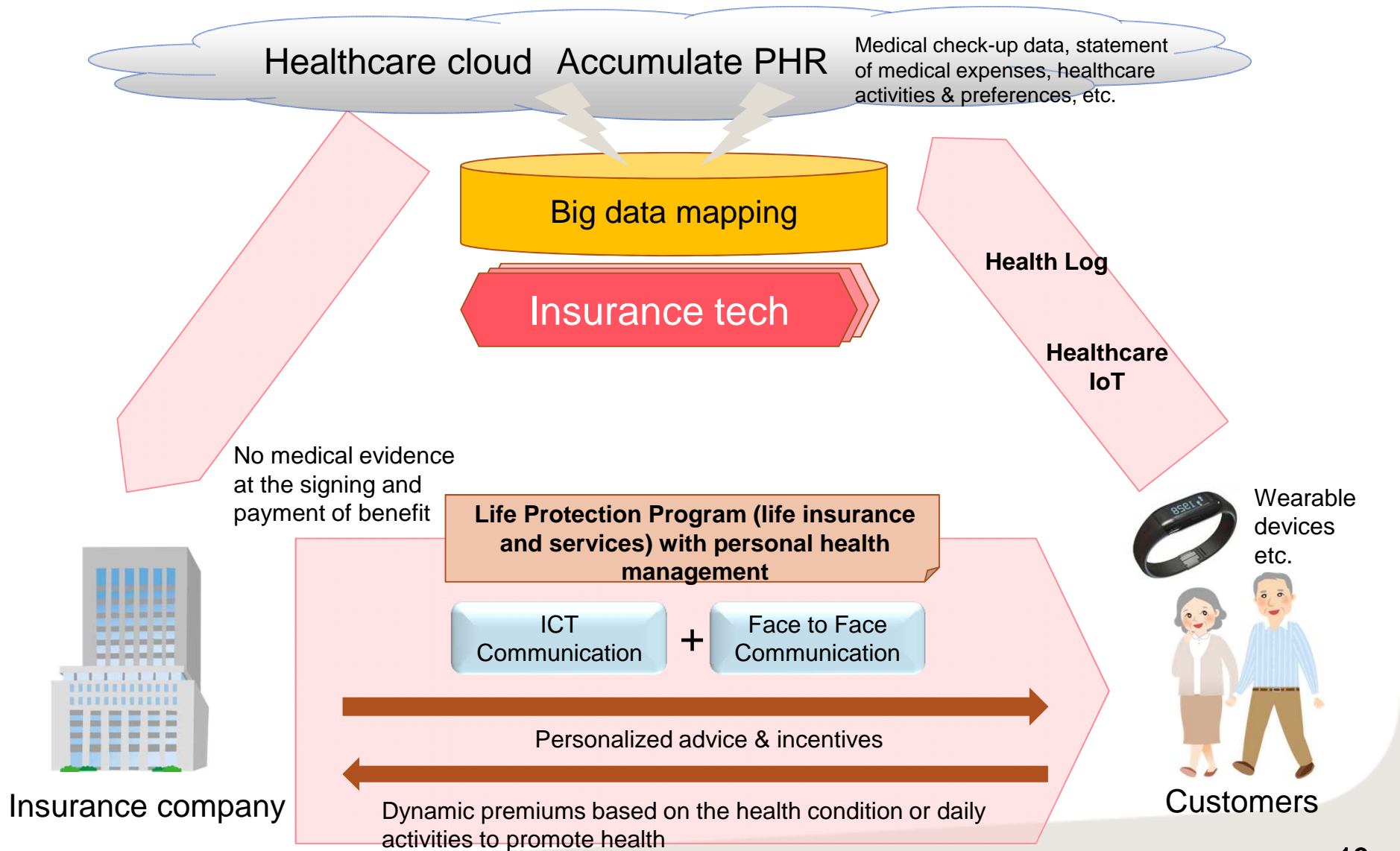
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Planning medium-to-long term marketing strategies in light of a changing business environment triggered by innovation in ICT



### 3 . Identify Opportunities over the long term = Insurance tech =



## To achieve sustainable growth

**Adjust channel strategy to the market dynamics, and enhance core channel**

**Faster time-to-market & competitive products through three operating companies**

**Take advantage of the changes and plan next generation life insurance business model**

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## Investor Contact

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