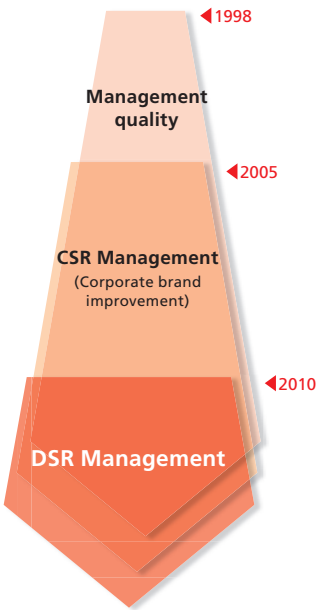


DSR Management

From Management Quality Improvement to DSR

The basis of our management framework has consistently been to proactively apply the PDCA (Plan-Do-Check-Action) cycle and seek constant improvement in management quality so as to realize our management philosophy and basic management policies.

We implement this form of management under the title “DSR (Dai-ichi’s Social Responsibility)”. DSR is a set of initiatives unique to our company which transcends the limits of what is generally referred to as CSR (corporate social responsibility). In all of our activities, ranging from the various measures introduced from the customers’ perspective and employee education initiatives to visualization of operational risks (internal control self-assessment), compliance promotion, office procedure improvements, and our initiatives to improve customer satisfaction and employee job satisfaction, we apply the PDCA cycle in a constant effort to step up to the next level.



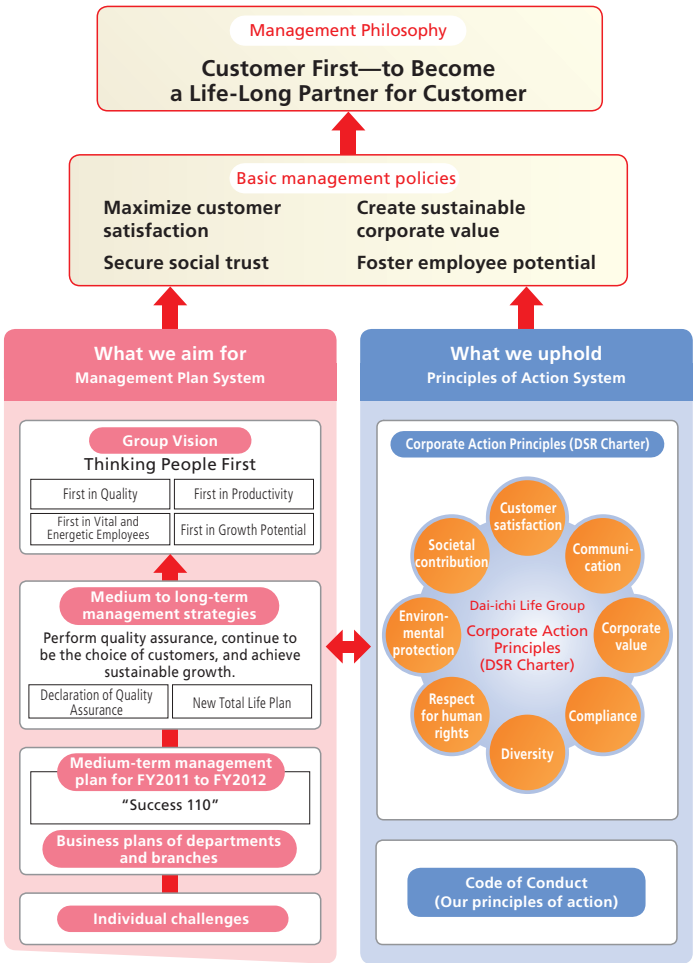
DSR Management System

Since our foundation, we have been guided by a deeply held management philosophy expressed in the phrase “Customer First—to Become a Life-Long Partner for Customer”. To underpin this philosophy, we have formulated a set of basic management policies.

In order to realize these basic management policies, all of our officers and employees constantly consider what they need to aim for, and what they need to uphold, in their daily activities.

What they need to aim for is our Group Vision. Our Group Vision “Thinking People First” describes the Dai-ichi Life Group’s ideal stance for the medium- to long-term adopted with the aim of realizing our basic management policies. Toward this target, individual company departments and branches have formulated business plans based on our medium term management plan. Meanwhile, aware of the need to respond accurately to current societal demands on our company, we have prepared a statement of “What We Uphold” in the form of the Dai-ichi Life Group’s Corporate Action Principles (DSR Charter), which defines how we should act as a company, alongside the Code of Conduct (Our principles of action), which sets out action guidelines for individual officers and employees.

These are the principles and standards that form the basis of the future actions of our Group, and our officers and employees, as they work to achieve their management objectives. We strive to achieve the ideals of our Group Vision, and realize our basic management policies, by upholding these standards.



Dai-ichi Life Group Vision

In order to uphold the Customer First philosophy we have maintained since our foundation and to further improve our DSR management, we established the Dai-ichi Life Group Vision “Thinking People First” which sets out our ideal stance for the medium- to long-term.

Thinking People First

First in Quality

We are thorough in our repeated utilization of the PDCA cycle to institute operational improvements based on customer opinions and comments, in all of our head office, branch, and unit office organizations. We think seriously about our customers’ lives from their perspective, providing—with clear and easy to understand explanations—products and services tailored to their needs.

First in Productivity

We are continually engaged in maintaining and enhancing a stable financial base that securely supports our long term underwriting of insurance policies. In addition to bolstering our ability to respond to risk in the face of changing management environments, we are constantly engaged in reexamining our day-to-day operations and continually implementing business process improvements, in order to improve productivity and strengthen our profitability.

First in Vital and Energetic Employees

Our Group’s most important management resources are our people. We believe that cultivating each employee to be a human asset is the source of competitive strength. Led by our concept of “professionalism and teamwork,” we strive to enhance the abilities of individuals, while simultaneously increasing the power of groups, in an effort to create a lively, energetic organization where groups are united.

First in Growth Potential

In order to carry on our “Customer First” approach established at the company’s inception in 1902, we have continued to evolve to match changing times. We want to create new value between people, becoming a company with a high potential for growth, by maintaining a global perspective and continuing to innovate as we move into the future.

The Role of an Insurance Company is Fulfilled when a Claim Payment is Completed

Life insurance is predicated on mutual assistance. Purchasing life insurance allows policyholders to minimize their financial burden as they make provision for the living expenses of their surviving loved ones, as well as prepare for contingencies such as nursing care, illness, and injuries. The claims and benefits paid by insurance companies provide support for many peoples’ lives.

Private life insurance companies make annual payments totaling 23 trillion yen in insurance claims, benefits, and annuities. Dai-ichi Life serves its customers by paying out approximately 1.7 trillion yen per year, or 4.8 billion yen per day.

Based on an awareness of our role in society as a life insurance company, our aim is to become the life insurance company most highly regarded by customers, while contributing to the sustainable development of the society.

Payment Status of Insurance Claims, Benefits, and Annuities (FY2011)

	Private Life Insurance	Dai-ichi Life
Insurance claims	16.1433 trillion yen	748.5 billion yen
Benefits	3.8048 trillion yen	473.4 billion yen
Annuities	3.1349 trillion yen	540.3 billion yen
Total	23.0832 trillion yen	1.7623 trillion yen
Payments per day	63.2 billion yen	4.8 billion yen

“Success 110” Medium-Term Management Plan for FY2011 to FY2012

Dai-ichi Life is implementing the FY2011-12 medium-term management plan—Success 110—to “Achieve Recovery and Growth by Utilizing All Available Resources.” Leading up to our 110th anniversary in FY2012, we will continue our efforts toward recovery while turning it into “a year in which we leap ahead in our progress toward the next stage in our growth.”

The Meaning of “a Year in Which We Leap ahead in Our Progress toward the Next Stage in Our Growth”

- FY2012 will be the final year of this medium-term management plan, and will also mark the milestone of the company’s 110th anniversary. As such, the company will aim to advance to the next stage.
- We will continue to strive toward recovery while moving forward in our efforts in line with our various basic strategies to ensure growth over the medium to long term in Japan and overseas, ensure further improvement in efficiency, more advanced management of corporate value, etc. We will accumulate specific achievements in our aim to attain sustainable growth.

Fulfillment of Security Function, Recovery and Renewal

We will continue our efforts in streamlining procedures and payments for the benefit of customers so that we can guarantee that they will receive their claims and other benefits. At the same time, the Great East Japan Earthquake has given us the opportunity to reaffirm the meaning of life insurance and our mission of “passing on peace of mind” among all officers and employees of the Group, and we will continue our efforts to share and spread these principles.

Acceleration of Business Development for Growth

In Japan, we will continue launching third sector insurance and individual savings-type products onto the market based on our New Total Life Plan strategy. The company plans to bolster consulting through the deployment of a new mobile tablet computer, the “DL Pad”. At the same time, we will attempt to boost sales results by revising the system for the qualification and compensation of sales representatives to be more related to profitability, and a revision of our salary system. Dai-ichi Frontier Life will continue the timely launching of highly competitive individual savings-type products onto the market to further increase its assets under management.

Regarding overseas life insurance businesses, our Group shall make use of the knowledge cultivated over the years as we strive to implement growth strategies and bolster our system in countries we have already broken into (i.e. our friendly takeover of TAL in Australia) and simultaneously attempt to make further inroads into new markets, for example, by quickly establishing a business in China. Furthermore, we will continue giving consideration to participation in the overseas asset management business which is expected to exhibit a high level of growth.

We will also aim to further reduce fixed costs through sustained efforts in the “Five Business Reform Projects” as part of business structure reforms, which will be essential to implementing our growth strategies.

Enforcement of Financial Base and Implementation of Disciplined Capital Strategy to Support Growth Strategies

We will continue to focus on trends in accounting standards and capital regulations while aiming to further improve capital level—which will contribute toward future acceleration of growth—by accumulating internal reserves through the periodic income and promotion of risk control. In addition, we will further promote efforts in “ERM (Enterprise Risk Management*)” and improve stability in growth of our corporate value represented by the Embedded Value, by raising profit levels, taking the risk characteristics of each business into account, and executing disciplined capital allocation in growth areas.

* Enterprise Risk Management (ERM): To promote business operations while establishing management plans and capital strategies, etc. in conformity with a company’s capital, risk and profit situation

Establishment of Internal System for Next Level Group Management

A “Group Management Headquarters” was established within the company as the current best framework to accelerate the Group’s further growth and strengthen its management. Under the new Group management structure, we will bolster necessary business management skills and functions, develop infrastructure, promote ERM across the Group, and aim to accelerate growth and enhance the overall corporate value of the Group along with establishing multiple business lines through domestic and cross-border M&A.

Promotion of Dai-ichi’s Social Responsibility (DSR) to Improve Corporate Value

Through their self-directed implementation of the PDCA cycle in individual organizations, all of our employees are unflinchingly dedicated to improving management quality, fulfilling our Group’s social responsibilities to our stakeholders, and increasing its corporate value.

Dai-ichi Life Group’s Corporate Action Principles (DSR Charter)

The Dai-ichi Life Group has defined a “DSR Charter” that states its corporate action principles for responding to the expectations of customers, society, shareholders, investors, and employees, and contributing to the creation of a sustainable society.

Dai-ichi Social Responsibility Charter

Customer satisfaction	We provide high-quality products and services with the intention of becoming lifelong partners with our customers. Everything we do is designed to exceed our customer’s needs and deliver customer satisfaction.
Communication	We hold ourselves accountable to our stakeholders and sincerely accept their opinions, reflecting them in our corporate management.
Compliance	We set the bar high for ethical standards and maintain full compliance in all our business activities. We respect privacy and fully enforce the protection and management of personal information.
Respect for human rights	We respect the culture and customs of every country and region, always operating in a way that contributes to local development. We also respect human rights and proactively operate in a way that reflects this.
Diversity	We provide a motivating and rewarding working environment where people of all backgrounds play an active role, encouraging both personal development and good health.
Environmental protection	We actively engage in environmental protection on a daily basis, recognizing that preserving the global environment is our social responsibility.
Societal contribution	We head social action programs, growing together with communities as an active corporate citizen.
Corporate value	We effectively use our management resources to create sustainable corporate value, always seeking new and better ways to contribute, improve business productivity, and maintain and strengthen our capital base.

DSR Management Promotion System

Our DSR management initiatives are promoted by the “Committee for Dai-ichi’s Social Responsibility Promotion,” chaired by the president. Led by this committee, special committees are established to perform planning, implementation, and progress management of individual DSR management focused issues, increasing the effectiveness of individual initiatives.

Furthermore, as part of efforts to improve management quality through the PDCA cycle, we have set up “Branch DSR Committees” at each of our branch offices, and “Unit Office DSR Committees” at each of our unit offices. They visualize issues affecting branch offices, such as employee training, complaint reduction, and compliance promotion, and work to enhance field problem solving capabilities in the field.

