

Corporate Governance

Basic Stance of Corporate Governance	Corporate Governance System	Information Disclosure	Other Related Information
--------------------------------------	-----------------------------	------------------------	---------------------------

Basic Stance of Corporate Governance

The Dai-ichi Life Insurance Company shall develop a system of corporate governance to ensure transparent, fair, prompt and bold decision-making while balancing the ownership and management, in order to discharge responsibility to its multi-stakeholders such as customers, shareholders, society and employees, and to achieve sustainable growth and enhancement of corporate value over the mid-to long term.

- PDF Corporate Governance Policy(67KB)
- PDF Corporate Governance Report(332KB)

Corporate Governance

Basic Stance of
Corporate
Governance

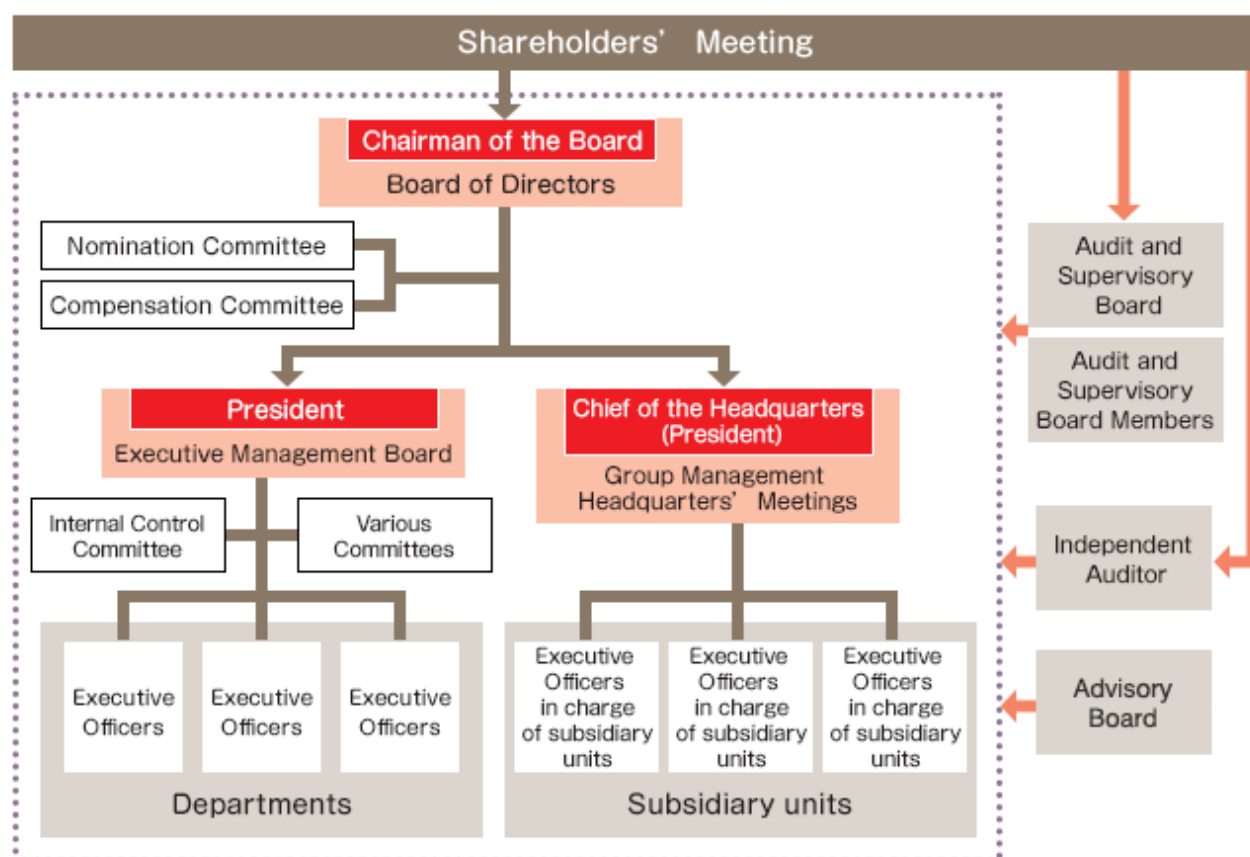
Corporate
Governance
System

Information
Disclosure

Other Related
Information

Corporate Governance System

Enhancement of Management Control System



Operational execution

Board of Directors

The Board of Directors makes major management decisions and supervises operational execution. To further strengthen management functions, Dai-ichi Life has assigned Outside Directors with a position that is independent from operational execution. As a general rule, the Board of Directors is held every month and may also be held on an ad-hoc basis as required.

Furthermore, to even further improve the transparency of management, Nomination Committee and Compensation Committee composed of the Chairman, President, and outside committee members have been established as discretionary consultative committees for the Board of Directors. The

Nomination Committee confirms the adequacy of candidates for directors and the independence of candidates for outside officers based on the Company's independence standards and deliberates the election and dismissal of Directors and Executive Officers.

The Compensation Committee deliberates the executive compensation system for directors and executive officers.

Furthermore, the Advisory Board composed of corporate managers and experts has been established as an optional organization for the purpose of advancing the Group even further through strengthened and enhanced governance and improvement of the Group's corporate value by gaining direct advice on a wide variety of viewpoints and themes concerning all aspects of management in consideration of changes in the external environment based on a medium to long-term perspective.

Number of Directors	16 (as of June 23, 2015)						
Number of Outside Directors	5 (as of June 23, 2015)						
Number of meetings of the Board of Directors	19 times (fiscal 2014)						
Activities of Outside Directors	Outside directors comment on the issues being deliberated as necessary based on their knowledge and experience, principally concerning government agencies, corporate ethics and management ethics, and sociology. The reasons for the selection of outside directors are as follows. <table> <tr> <th>Name</th><th>Reason for selection, expected role</th></tr> <tr> <td>Haruo Funabashi</td><td>Mr. Funabashi has many years of experience at administrative agencies and expertise in corporate ethics and business morality. The Company anticipates that he will offer advice on management from an objective and neutral viewpoint. In addition, he attended 19 of the 19 meetings of the Board of Director held during fiscal 2014.</td></tr> <tr> <td>Michiko Miyamoto</td><td>Ms. Miyamoto has knowledge and experience as a sociological expert, and the Company anticipates that she will offer advice on management from an objective and neutral viewpoint. In addition, she attended 18 of the 19 meetings of the Board of Director held during fiscal 2014.</td></tr> </table>	Name	Reason for selection, expected role	Haruo Funabashi	Mr. Funabashi has many years of experience at administrative agencies and expertise in corporate ethics and business morality. The Company anticipates that he will offer advice on management from an objective and neutral viewpoint. In addition, he attended 19 of the 19 meetings of the Board of Director held during fiscal 2014.	Michiko Miyamoto	Ms. Miyamoto has knowledge and experience as a sociological expert, and the Company anticipates that she will offer advice on management from an objective and neutral viewpoint. In addition, she attended 18 of the 19 meetings of the Board of Director held during fiscal 2014.
Name	Reason for selection, expected role						
Haruo Funabashi	Mr. Funabashi has many years of experience at administrative agencies and expertise in corporate ethics and business morality. The Company anticipates that he will offer advice on management from an objective and neutral viewpoint. In addition, he attended 19 of the 19 meetings of the Board of Director held during fiscal 2014.						
Michiko Miyamoto	Ms. Miyamoto has knowledge and experience as a sociological expert, and the Company anticipates that she will offer advice on management from an objective and neutral viewpoint. In addition, she attended 18 of the 19 meetings of the Board of Director held during fiscal 2014.						

Activities of Outside Directors	Name	Reason for selection, expected role
	George Olcott (New appointment of director)	Mr.Olcott is an expert on human resources management and corporate governance of global companies, based on the knowledge he gained through a wide range of experiences, such as acting as managing director of financial institutions and as outside director of other corporations. The Company anticipates that he will offer advice on management from a global, objective and neutral viewpoint.
	Rieko Sato (New appointment of director)	Ms.Sato is an experienced and trusted attorney, and she has had a wide range of experiences serving as outside director of the auditing committee of various corporations. The Company anticipates that she will offer advice on management from a legal, objective and neutral viewpoint.
	Shu Ungyong (New appointment of director)	Mr.Ungyong has a wide range of experiences as managing director of financial institutions. The Company anticipates that he will offer advice on management from a global, objective and neutral viewpoint.

■ Self-Assessment regarding the meetings of the Board of Directors

We, Dai-ichi Life have conducted a "self-assessment survey" amongst Directors and Audit and Supervisory Board members (excluding the chairman and the president who is the chief executive of all operations) regarding administration of the meetings of the Board of Directors (hereinafter, "the meetings") and the contents of their discussions. We also asked a third party to carry out the evaluation for the results of the survey.

According to the results of the survey conducted in 2014, there was a positive evaluation that improvement was seen regarding the meetings administration and their discussions, and general consensus is that they believe that they are doing well at this time. On the other hand, there were some comments that the meetings should involve deeper decision and revision of their business strategy.

In terms of reinforcing the corporate governance, in order to enhance the meetings administration and their further discussion, we will continuously conduct this survey and make an improvement and implement the "PDCA (Plan-Do-Check Action) cycle" repeatedly.

 [Result of the "self-assessment survey" in 2014 \(743KB\)](#)

■ Operational Execution

Dai-ichi Life has established an Executive Officer System to separate decision-making and auditing functions from operational execution and to strengthen these functions. Executive officers are assigned by the Board of Directors to execute operations based on the responsibilities stipulated by decisions by the Board of Directors. An Executive Management Board composed of the president and executive officers designated by the president is held twice a month as a general rule to deliberate important management and operational execution issues.

■ Corporate audits

■ Audits by the Audit and Supervisory Board

Dai-ichi Life maintains an Audit and Supervisory Board, which conducts audits on the work conducted by the directors and executive officers, audits on response to risk management involving compliance and management in general at the Group and its subsidiaries, and audits on the state of business and financial condition through participation in the important meetings of the Board of Directors, the Executive Management Board and the Group Management Headquarters Meeting and hearings held with directors, executive officers, and various departments. In addition, the Audit and Supervisory Board discusses important matters concerning these audits. Furthermore, employees to assist the Audit and Supervisory Board have been assigned to the Audit and Supervisory Board Member's Center in order to secure independence from the directors through means such as holding discussions on the transfer and evaluation of such employees with the Audit and Supervisory Board.

Number of Audit and Supervisory Board Members	5 (as of April 1, 2015)
Number of Outside Audit and Supervisory Board Members	3 (as of April 1, 2015)
Number of meetings of the Audit and Supervisory Board	13 times (fiscal 2014)
Activities of Outside Audit and Supervisory Board Members	The three Outside Audit and Supervisory Board Members make statements based on, their respectively, professional knowledge and experience as an attorney-at-law, wealth of experience as a corporate manager, and research performed into ways to improve productivity and management quality. The reason for selection of outside Audit and Supervisory Board Members is as follows.

Activities of Outside Audit and Supervisory Board Members	Name	Reason for selection, expected role
	Masasuke Omori	Mr. Omori has advanced and expert knowledge and experience as a judge, a prosecutor, Director-General of the Cabinet Legislation Bureau, a member of the National Public Safety Commission, and an attorney-at-law, and the Company anticipates that he will audit the performance of duties by directors from an objective and neutral viewpoint. In addition, he attended 19 of the 19 meetings of the Board of Directors and 13 of the 13 meetings of the Audit and Supervisory Board held during fiscal 2014.
	Takashi Wachi	Mr. Wachi has extensive experience as a corporate manager and deep knowledge on corporate management, and the Company anticipates that he will audit the performance of duties by Directors from an objective and neutral viewpoint. In addition, he attended 18 of the 19 meetings of the Board of Directors and 12 of the 13 meetings of the Audit and Supervisory Board held during fiscal 2014.
	Tsuneaki Taniguchi	Mr. Taniguchi has experience gained by conducting research studies and making recommendations on the improvement of productivity and management quality at Japan Productivity Center, and the Company anticipates that he will audit the performance of duties by Directors from an objective and neutral viewpoint. In addition, he attended 19 of the 19 meetings of the Board of Director and 13 of the 13 meetings of the Audit and Supervisory Board held during fiscal 2014.

Director Remuneration

Basic Policies

In deciding the remuneration of Directors of the Company, the items as described below shall be adopted as basic policies.

- Ensure transparency, fairness and objectivity for the remuneration of Directors.
- Strengthen incentives for improved results by adopting performance-linked remuneration.
- Accomplish the accountability by sharing returns with shareholders through remuneration linked to achievement levels based on the Company's results indicators and other targets that have been determined in accordance with management strategies.

- When determining the amount of individual remuneration, etc., the appropriateness of the amount of remuneration, etc., shall be judged by taking into account the type of industries and referring to the level of remuneration, etc., of other companies that are suitably comparable. In this case, the reference shall also be made to the level and other aspects of (1) remuneration, etc., of other officers and employees of the Company and (2) remuneration, etc., of officers and employees of the other companies in the corporate group to which the Company belongs.

■ Policies that Determine the Amount or Calculation Method of Remuneration

Remuneration for Directors (excluding Outside Directors) is comprised of basic remuneration, remuneration linked to company performance, remuneration linked to department performance, and stock options as stock-linked remuneration (stock acquisition rights). Remuneration for Outside Directors is comprised of basic remuneration. Our policy is to use independent surveys of remuneration of corporate management in Japan to set the level of this remuneration. This policy was determined by the Board of Directors upon consultation with the Compensation Committee.

Remuneration for Audit and Supervisory Board Members is comprised of basic remuneration. Our policy is to use independent surveys of remuneration of corporate management in Japan to set the level of this remuneration. This policy was determined by deliberation among Audit and Supervisory Board Members.

Total remuneration for each category of Director and Audit and Supervisory Board Member, breakdown of total remuneration, and number of Directors and Audit and Supervisory Board Members

Each category	Total remuneration for each category (Unit: Millions of yen)						number of Board Members
	Total remuneration (Unit: Millions of yen)	Basic remuneration	Stock options	Bonuses	Retirement benefits	Other	
Directors (excluding Outside Directors)	655	527	120	-	-	7	13
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	69	69	-	-	-	0	3

Each category	Total remuneration for each category (Unit: Millions of yen)						number of Board Members
	Total remuneration (Unit: Millions of yen)	Basic remuneration	Stock options	Bonuses	Retirement benefits	Other	
Outside Directors and Audit and Supervisory Board Members	54	54	-	-	-	-	5

Notes:

1. Neither directors, Audit and Supervisory Board members, outside directors or Audit and Supervisory Board members receive total consolidated remuneration more than 100 million yen.
2. Directors do not receive remuneration as employees or any other consideration for execution of their duties.
3. There is an annual remuneration limit of 840 million yen for Directors and 168 million yen for Audit and Supervisory Board Members.
4. The above figures include 2 Directors, 1 Audit and Supervisory Board Member who retired on June 24, 2014.

■ Operational Audits

We have established an Internal Audit Department to conduct operational audits on operational execution and sales agencies from the perspective of compliance and risk management. To serve a control function and ensure the effectiveness of operational audits, the Internal Audit Department has been established as a body that is independent from operational execution and sales agencies.

■ Independence Standards for Outside Officers

As part of its approach to strengthening corporate governance, Dai-ichi Life has established its own standards to determine the independence of its outside directors and outside Audit and Supervisory Board Members.

 [Standards for the Independence of Outside Officers \(93KB\)](#)

Corporate Governance

Basic Stance of
Corporate
Governance

Corporate
Governance
System

Information
Disclosure

Other Related
Information

Information Disclosure

Basic Information Disclosure Policy

Dai-ichi Life believes in measures to strengthen corporate governance (a key item which is recognized and by which we are judged), by disclosing information in a timely and appropriate manner, as well as increasing the transparency of management to society, customers, shareholders and investors. We have established a basic policy of information disclosure, in addition to the internal company regulations on publication disclosure when inappropriate events occur.

Basic Information Disclosure Policy

1

We disclose information in accordance with the provisions of the Securities Listing Regulations of the Tokyo Stock Exchange as well as the Financial Products and Exchange Laws, and other laws and regulations.

2

In addition to the above, we disclose information that is determined to be important for society, customers, shareholders and investors, in a timely and appropriate manner.

3

We are committed to fair information disclosure for society, customers, shareholders and investors.

Enhancing Information Disclosure

The Company will work to further enhance information disclosure in accordance with the Basic Information Disclosure Policy.

▶ [News Release](#)

Corporate Governance

Basic Stance of
Corporate
Governance

Corporate
Governance
System

Information
Disclosure

Other Related
Information

Other Related Information

Condition of Equity holding (As of March 31, 2015)

Equity holding excluding those held solely for the purpose of investment

Number of companies:9

Sum of carrying amount:264.5 billion yen

Equity holding for specified purpose

Company Name	Number of share holding (thousands of shares)	Carrying Amount (billions of yen)
Resona Holdings, Inc.	125,241	79.0
Mizuho Financial Group, Inc.	255,691	56.2
Sompo Japan Nipponkoa Insurance Inc.	5,734	21.9
IBJ Leasing Company, Limited	2,930	7.3

Equity holding contributed to the retirement benefit trust

Company Name	Number of share holding (thousands of shares)	Carrying Amount (billions of yen)
Sompo Japan Nipponkoa Insurance Inc.	4,492	16.7
Mizuho Financial Group, Inc.	69,208	14.6

(Note) The information is an extract from the Company's securities report (unofficial translation). For detail, please refer to the Company's securities report (Japanese only).

Internal Control

Internal Control
Policy

Risk
Management

Compliance
Initiatives

Ensuring the
Appropriate
Operations at
Subsidiaries

Handling of
Antisocial
Forces

Internal Control
over Financial
Reporting

Verifying the
Adequacy and
Effectiveness of
Internal Control
through Internal
Audits

Information
Property
Protection

Internal Control Policy

Dai-ichi Life has established a Basic Internal Control Policy that stipulates its basic stance and initiatives concerning internal control. As part of efforts to develop an internal control system, Dai-ichi Life has established the Internal Control Committee.

The Internal Control Committee serves as a body that assists the Board of Directors and the Executive Management Board to develop and manage the internal control system in accordance with the Basic Internal Control Policy. It also serves as the supervising body for the Compliance Committee, Risk Management Committee, and Antisocial Forces Handling Committee to confirm and deliberate matters such as those concerning compliance, information asset protection, risk management, and response to antisocial forces.

Basic Internal Control Policy	
1	Conduct business activities in compliance with laws and regulations, the Articles of Incorporation, social standards, and rules in the market
2	Ensure insurance sales comply with laws and regulations and conduct appropriate insurance sales management
3	Protect and manage information appropriately, including customer information, shareholder information, material facts, and other unique information
4	Manage risks effectively in accordance with the characteristics of those risks
5	Block any relationships with antisocial forces to prevent any damage that might occur
6	Ensure appropriate operations at subsidiaries

Basic Internal Control Policy	
7	Ensure the reliability of financial reporting and disclose reports appropriately in a timely manner
8	Check the appropriateness and effectiveness of internal control through operational audits

 [Click here for more about the Basic Internal Control Policy \(258KB\)](#)

Internal Control



Risk Management

Basic Recognition

To ensure sound and proper business operations and to ensure that we fulfill the obligations arising from our insurance policies, we identify and evaluate potential risks, take appropriate action based on the specific characteristics of each risk and comprehensively manage those risks. We are committed, on a company-wide basis, to improving soundness through the management and control of the financial base, including risk volume and capital.

We have also established a crisis management system and a risk management system to respond to catastrophes and large-scale disasters in addition to our everyday risk management system.

Risk Management Policies and Regulations

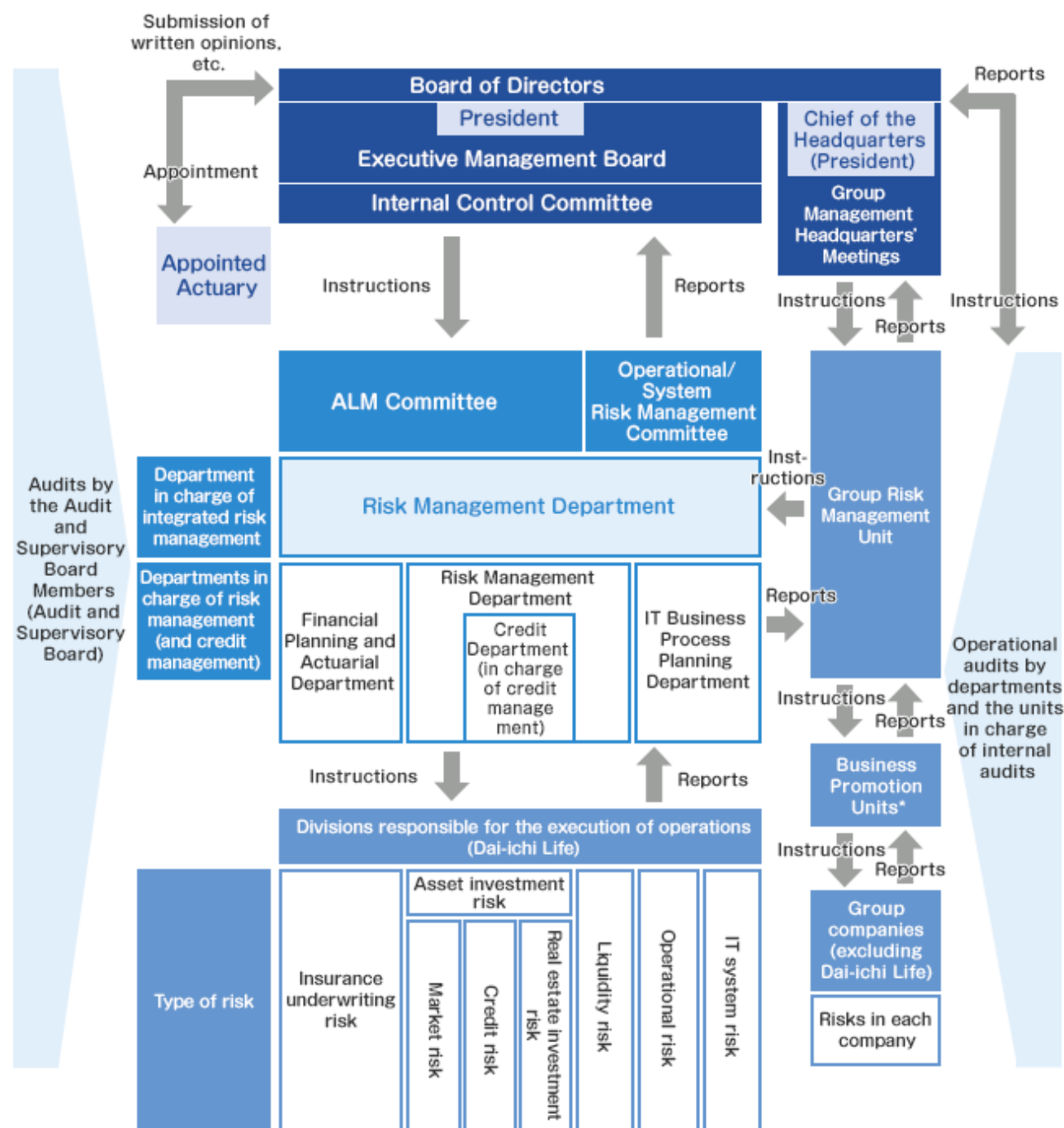
Our Internal Control Policy for Dai-ichi Life Group and Basic Internal Control Policy include our basic philosophy and policies regarding risk management. The approach used to manage each type of risk is developed in line with our series of Basic Risk Management Policies. In addition, each of the risk management regulations and standards is translated into practical rules, following our series of Basic Risk Management Policies.

Risk Management Structures

For risks arising from operations of the Company, we developed a risk management structure in which the operations of the Company are monitored by the department responsible according to the risk category, in obedience to our series of Basic Risk Management Policies. To strengthen our risk management structure, we have established a Risk Management Department, which manages risks

comprehensively, on a company-wide basis. The Group Risk Management Unit has taken a central role in strengthening the risk management system of the Group by monitoring the status of the Group's overall risk management and its soundness.

We have established the ALM Committee, Operational Risk Management Committee and System Risk Management Committee, each of which convenes regularly for management to share information regarding individual risks that will be used to guide decision making. Moreover, our Internal Audit Department examines the effectiveness and appropriateness of our risk management functions. The status of risk management is reported to the Board of Directors, the Executive Management Board and the Group Management Headquarters' Meetings. Our Audit and Supervisory Board Members inspect overall risk management, including those taken by our management.



* Collective term for the Group Management Strategy Unit, the Asset Management Business Unit, and the International Life Insurance Business Unit

Integrated Risk Management Initiatives

Integrated risk management is an approach in which the Company controls the risks it is exposed to in its overall operations, including in the flow of business such as underwriting insurance and setting premium rates, by considering risks, including potentially significant ones, as a whole and comparing them against its capital. The Company ensures its financial stability by integrating various risks on an accounting and economic value basis and comparing them against its capital. The economic value basis is a valuation standard that is consistent with Embedded Value, one of the indicators that represent the corporate value of a life insurance company.

To ensure sound management and conduct Asset Liability Management (ALM) appropriately, the Company has established an ALM Committee, and encourages the refinement of its management system and the improvement of financial soundness.

The Company has also established an Operational Risk Management Committee and System Risk Management Committee to curb its operational and system risks and strengthen its management system.

In addition, when formulating the Company's investment policy taking liability characteristics into consideration, developing new products and setting appropriate assumed rates of return, the departments in charge of risk management check the various risks involved in insurance underwriting and investments and examine the adequacy of those operations.

Promotion of ERM

The Company promotes Enterprise Risk Management (ERM), a risk management approach to promote business activities, by formulating a management plan and capital strategies in accordance with its capital, risk, and profit situation.

When formulating a management plan and capital strategies as a risk management measure related to ERM, the department in charge of enterprise risk management examines the adequacy of the plan and the strategies, properly controls capital, risks, and profits by setting and managing risk tolerance, taking into consideration the source, types, and characteristics of risks, and promotes the enhancement of the Group's risk management.

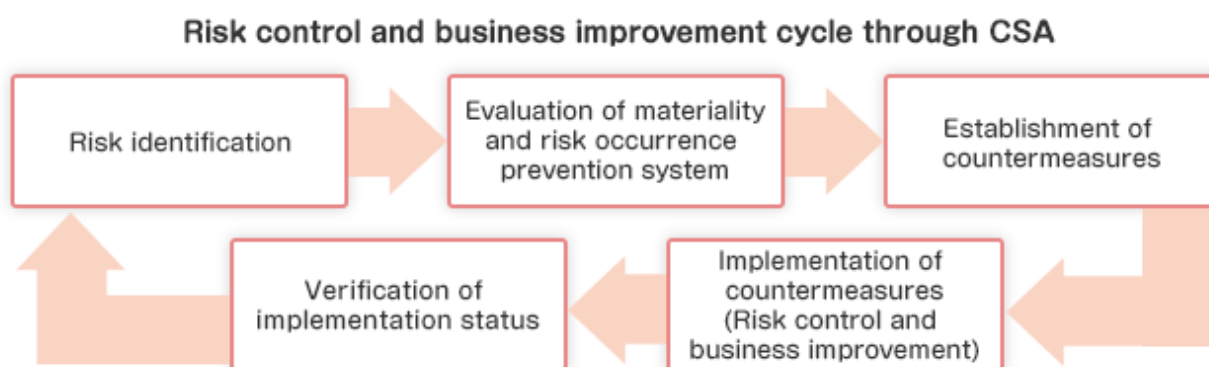


Implementation of Stress Tests

To recognize and determine events that cannot be captured by quantifying risks, Dai-ichi Life implements a stress test, assuming a worst-case scenario based on past events, such as disruptions in the financial market and large-scale disasters, as well as the Company's future outlook to analyze the effect on the Company's financial soundness. Stress test results are regularly reported to the Board of Directors and the Executive Management Board so that management can check market conditions, strengthen its monitoring, and consider and implement managerial and financial measures as necessary.

CSA (control self-assessment) initiatives

Dai-ichi Life has continued to work towards improving management quality in an aim to be a company that will continue to be trusted and selected by customers. As part of these efforts, a CSA (control self-assessment) is carried out by all head office departments and branches according to standardized and systemized risk identification and analysis methods, covering primarily administration risks, system risks and other operational risks.



CSA consists of activities that promote risk control and business improvement by implementing the cycle displayed above that starts with the identification of risks inherent in our business. A wide range of risks is covered, including administration risks, system risks, and compliance risks.

As part of our DSR management efforts, the entire Group implements activities to promote risk control and operational improvements as it works to gain further trust and support from customers.

Efforts at head office departments

The level of risks for each operation is assessed by identifying the risk for each operation, assessing the materiality of these risks by considering the impact on customers and the scale of losses in the event that the risks arise, and also assessing the systems for preventing such risks. After conducting this process, countermeasures are established and implemented to prepare for the occurrence of such risks and in consideration of the scale of risks as part of our risk control and business improvement efforts as we promote appropriate business operations.

■ Efforts at branch offices

Because the operations of each branch are fundamentally the same, the head office identifies and summarizes the risks to be targeted by CSA, while each branch focuses on the assessment of systems to prevent the occurrence of risks and the implementation of countermeasures.

I Business Continuity Management

Dai-ichi Life has established the Large Scale Risk Management Committee to constantly prepare for the future to ensure that risks are managed individually and that services provided to our customers can be continued even after a major earthquake, other large-scale disaster or a pandemic caused by a new influenza virus.

Specifically, we have drawn up regulations and standards on crisis management including business continuity planning, and multiple redundancies have been used to backup system and customer data to ensure insurance administrative processes remain working and payouts can be made smoothly even if the head office or branch offices suffer damage. We also provide training and hold drills to achieve continual improvements in our business continuity management.

Following the Great East Japan Earthquake that struck on March 11, 2011, we immediately set up a Disaster Response Headquarters led by the President of Dai-ichi Life, in accordance with our business continuity plan created before the earthquake, and each organization took the time to confirm the safety of employees and to assist damaged branches in getting back up and running in a prompt manner. At the same time, we mobilized Total Life Plan Designers, agents, as well as staff from our branches and head office to check the safety of customers using a company-wide effort and to open temporary contact points for customers in the disaster zone to respond to customer needs locally. Additionally, in order to stably provide customers with services including payments of claims and benefits and maintain operations even during pandemics of influenza with high levels of contagion, we have established the Pandemic Influenza Countermeasure Action Plan and the Pandemic Influenza Countermeasure Basic Manual to stipulate group-wide measures concerning business continuity, and efforts are also being made to accumulate mitigation materials such as masks and antiseptic solution. We are committed to continually reinforcing our security measures and preparations for large-scale disasters to further promote business continuity management.

Internal Control



Compliance Initiatives

Dai-ichi Life understands that complying with laws and regulations, its Articles of Incorporation, social standards, and rules in the market is the basis for conducting business activities. To fulfill its social responsibilities and public mission as a life insurance company, Dai-ichi Life is developing systems to promote compliance in all of its operations, including insurance sales and investment.

- › Policies and Regulations Designed to Promote Compliance
- › Organizational Systems Associated with Compliance

Policies and Regulations Designed to Promote Compliance

Dai-ichi Life has established basic policies and regulations, including Compliance Regulations that outline its basic approach to the compliance system and the details of that system, under the Internal Control Policy for Dai-ichi Life Group and the Basic Internal Control Policy. Under its Basic Management Policies, the Company has also established the DSR Charter, the Dai-ichi Life Group's corporate action principles, which outline the specific principles of its actions as a company, and the Code of Conduct, which outlines specific principles for the behavior of directors, executive officers and employees. The Company has created a Compliance Manual that includes explanations of laws and regulations and points to keep in mind when performing operations, in addition to the internal rules for promoting compliance. By distributing the manual to all directors, executive officers, and employees, and providing them with training programs, the Company seeks to keep them informed of the internal rules, laws, and regulations, as well as other important points. The Compliance Committee holds preliminary discussions regarding important regulations and manuals, the Executive Management Board discusses them, and the Board of Directors makes decisions.

Organizational Systems Associated with Compliance

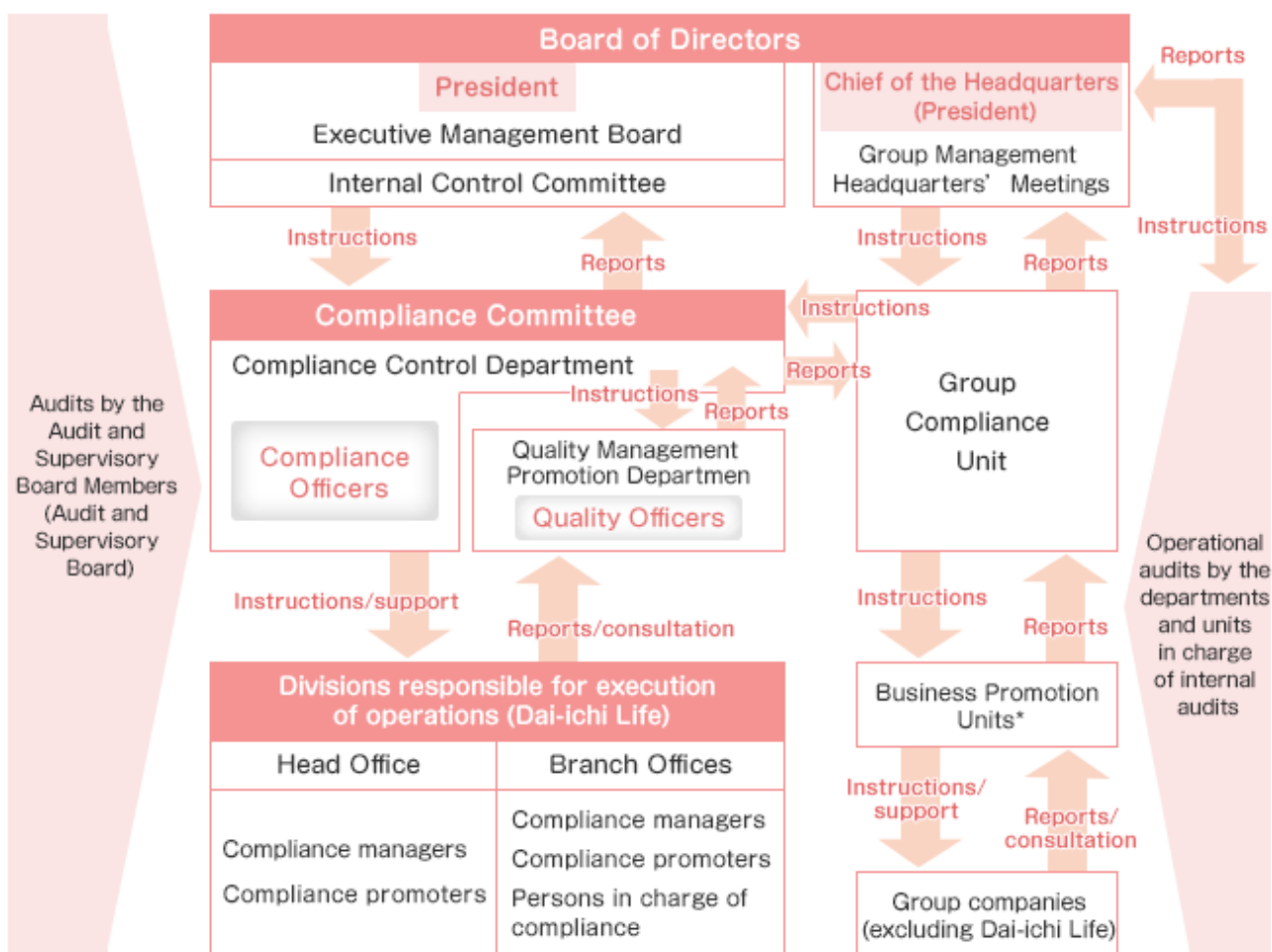
The Compliance Committee (consisting primarily of relevant directors and executive officers), under the Internal Control Committee, discusses important matters relating to compliance and consults with the Executive Management Board, the President, and the Board of Directors. The Compliance Control Department develops and promotes the company-wide compliance system. To ensure compliance, especially in the area of insurance sales management, Dai-ichi Life has established a cooperation system between the Compliance Control Department and the Quality Management Promotion Department, which provides branch offices that engage directly in insurance sales with instructions and support. The Company assigns Compliance Officers to the Compliance Control Department to provide direct compliance support at head office departments and branches, as well as Quality Officers to the Quality Management Promotion Department to give direct instructions and support for further advances in business quality, such as the promotion of compliance at branch offices, from a customer-based perspective. In doing so, the objective is to manage compliance and insurance sales in cooperation with the compliance managers as the head of each department or branch.

The Company establishes a system to handle and resolve important matters associated with compliance in the most appropriate manner. These matters that arise in departments and branches are reported through the compliance managers to the Compliance Control Department. The Company has also established an internal hotline (in the Compliance Control Department) and a consultation service (with outside lawyers) in accordance with the Whistleblower Protection Act to act as a channel through which employees can directly report and consult on compliance matters. The Company operates these systems with full respect for privacy so that those who duly blow the whistle or consult are not subject to unfavorable treatment resulting from their whistleblowing or consultation.

To check whether compliance is being promoted effectively and appropriately, the Internal Audit Department regularly conducts internal audits.

The Company is endeavoring to develop and strengthen its compliance system as a Group, taking into account the attributes of each company, by establishing a Group Compliance Unit at the Group Management Headquarters.

Organizational Systems Associated with Compliance



* Collective term for the Group Management Strategy Unit, the Asset Management Business Unit, and the International Life Insurance Business Unit

Internal Control

Internal Control Policy	Risk Management	Compliance Initiatives	Ensuring the Appropriate Operations at Subsidiaries	Handling of Antisocial Forces
Internal Control over Financial Reporting	Verifying the Adequacy and Effectiveness of Internal Control through Internal Audits	Information Property Protection		

Ensuring the Appropriate Operations at Subsidiaries

Dai-ichi Life focuses on monitoring the supervision of decision making by the Boards of Directors and operational execution at subsidiaries and confirms the status of operational execution. Furthermore, we develop the required internal regulations and rules in order to ensure appropriate business among subsidiaries, and the departments responsible for internal control at subsidiaries report on the status of business operations to bodies including the Board of Directors, Executive Management Board, and Internal Control Committee as necessary.

Internal Control

Internal Control Policy

Risk Management

Compliance Initiatives

Ensuring the Appropriate Operations at Subsidiaries

Handling of Antisocial Forces

Internal Control over Financial Reporting

Verifying the Adequacy and Effectiveness of Internal Control through Internal Audits

Information Property Protection

Handling of Antisocial Forces

Basic Recognition

Under the basic management policy of Securing Social Trust, all Dai-ichi Life organizations are united in their resolve to reject any coercion from antisocial forces that threatens the order and security of civil society or that disrupts sound economic and social development or corporate activities. Dai-ichi Life is fully committed to halting the development of any relationships with these forces in all of its transactions, including insurance contracts, to prevent any damage from occurring.

Policies and Regulations concerning Responses to Antisocial Forces

In accordance with the Basic Internal Control Policy, which establishes basic approaches and policies for halting the development of a relationship with antisocial forces and preventing potential damages, Dai-ichi Life has established regulations regarding antisocial forces. Moreover, based on its Code of Conduct Guidelines, which establishes specific principles for the behavior of officers and employees, Dai-ichi Life thoroughly abides by the basic principles of “don’t be afraid, don’t provide money, don’t use and don’t get involved antisocial forces,” based on the recognition that supplying funds to such forces causes social ills. Furthermore, we have created a detailed standards sheet on dealing with antisocial forces, which clearly articulates rules for officers and employees, as well as specific steps to halt the development of any relationships with antisocial forces and prevent damages. Under the Internal Control Policy for Dai-ichi Life Group, we have established regulations for entire Group for dealing with antisocial forces to ensure a Group-wide approach is taken to strengthen our approach to excluding anti-social forces from all aspects of our operations.

Systems for Addressing Antisocial Forces

Dai-ichi Life established the Antisocial Forces Handling Committee in an effort to hold company-wide deliberations with a wide range of participants about the handling of antisocial forces. We have also designated the General Affairs Department as the department in charge of streamlining and strengthening systems to block the development of any relationships with antisocial groups in daily business operations and to prevent possible damages.

Dai-ichi Life also has developed a system in which each department and branch office appoints a manager in charge of the handling of antisocial forces and a person who promotes the appropriate handling of antisocial forces. Under this system, if a department or a branch office is contacted by antisocial forces, receiving undue claims and/or other demands, the manager and the designated person of that department or office take the lead in carrying out an appropriate response against such forces by cooperating with the General Affairs Department.

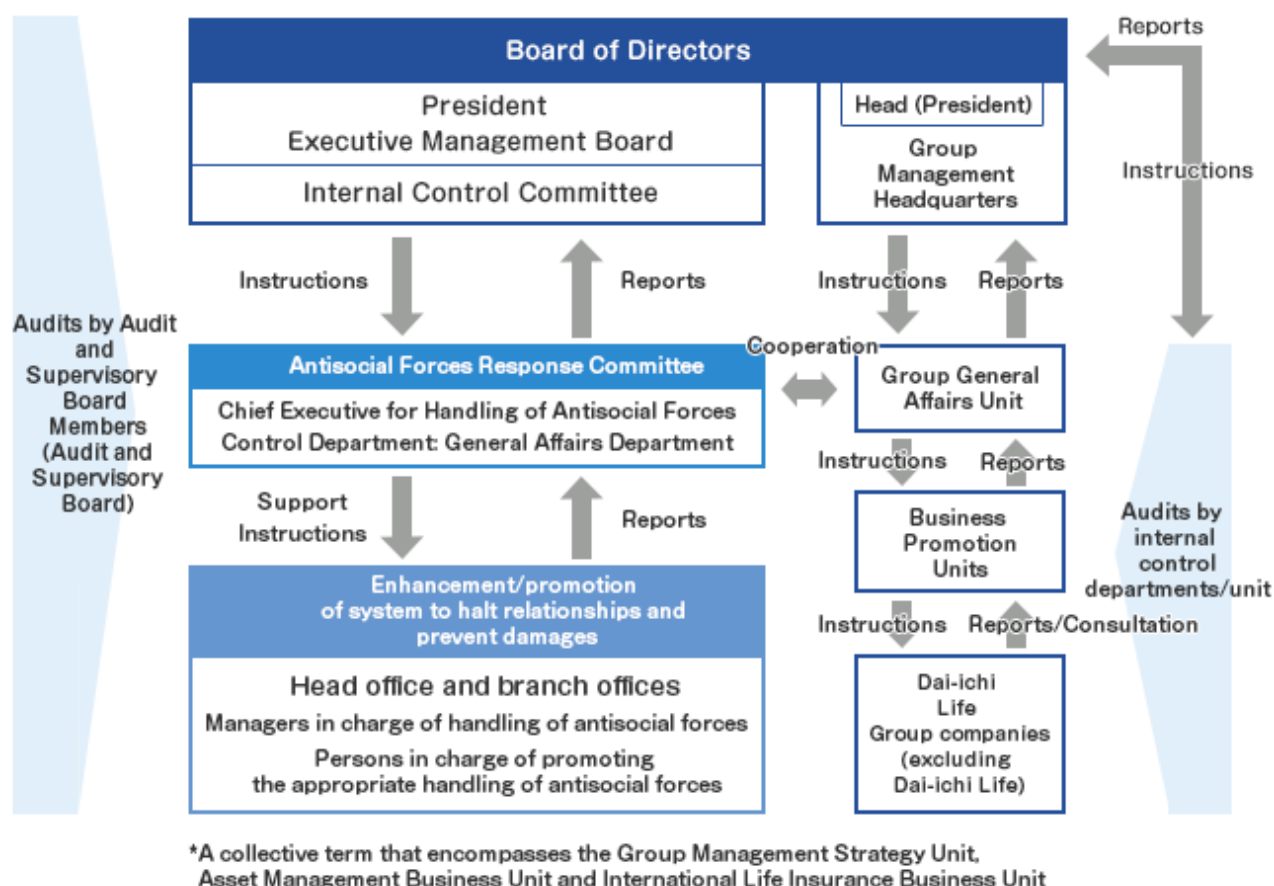
We have a system in place to notify the Board of Directors in a timely manner to ensure steps can be taken to halt any relationship from beginning if a transaction involving an antisocial force is found.

Status reports on our response to antisocial forces are provided regularly to the Board of Directors to ensure that management is involved in our approach in an appropriate manner.

In addition, to ensure that we have no relationship with and to prevent damages related to antisocial forces, Dai-ichi Life is permanently committed to developing close cooperative systems with external specialist organizations, such as local police departments, the National Center for the Elimination of Bōryokudan (Organized Crime Groups), and lawyers.

Dai-ichi Life has also established the Group General Affairs Unit within the Group Management Headquarters in order to improve upon our already effective system for standing up to antisocial forces that involves the collaboration of every Group company.

■ Organizational System for Eliminating Relationships with and Preventing Damage from AntiSocial Forces



■ Introduction of insurance policies with clauses against organized crime

We have incorporated a clause against organized crime* in our insurance policies since April 2012 in order to clarify conditions for the surrendering of insurance transactions with anti-social forces. This enables insurance policies to be surrendered in case the policyholder is found to be a member of organized crime or antisocial forces after the insurance agreement has been concluded.

* A contract clause that enables Dai-ichi Life to cancel the insurance policy if the policyholder is found after the conclusion of the contract to belong to an antisocial force (crime syndicate, member of a crime syndicate, a quasi-member of a crime syndicate, or companies affiliated with a crime syndicate) on the grounds that damage was caused to the relationship of trust making it impossible to fulfill the obligations of the policy.

Internal Control

Internal Control Policy

Risk Management

Compliance Initiatives

Ensuring the Appropriate Operations at Subsidiaries

Handling of Antisocial Forces

Internal Control over Financial Reporting

Verifying the Adequacy and Effectiveness of Internal Control through Internal Audits

Information Property Protection

Internal Control over Financial Reporting

An internal control system concerning financial reporting has been developed and implemented based on the Financial Instruments and Exchange Act. Dai-ichi Life prepare an Internal Control Report stating that based on the results of assessments of the effectiveness of key processes relating to financial reporting and internal control on the financial report preparation system it has been determined that internal control on our financial reporting is effective, and submit this report together with our financial statements. In addition, to confirm the effectiveness of the Internal Control Report, an internal control audit is conducted by an accounting auditor.

The Company will continue efforts to ensure reliability going forward through assessments on the effectiveness of internal control over financial reporting.

Internal Control

Internal Control Policy

Risk Management

Compliance Initiatives

Ensuring the Appropriate Operations at Subsidiaries

Handling of Antisocial Forces

Internal Control over Financial Reporting

Verifying the Adequacy and Effectiveness of Internal Control through Internal Audits

Information Property Protection

Verifying the Adequacy and Effectiveness of Internal Control through Internal Audits

To ensure sound and appropriate business operations, internal audits are conducted to verify the adequacy and effectiveness of our internal control system. The following systems have been developed as required.

Development of policies and internal regulations concerning internal audits

The basic policy on internal audits is stipulated in the Internal Control Policy for Dai-ichi Life Group and Basic Internal Control Policy. In accordance on these polices, the Internal Audit Regulations that define the basic items covered in internal audits and the Internal Audit Operational Regulations that include the implementation guidelines have been stipulated.

Operational audit system

Dai-ichi Life has established the Internal Audit Department as an independent organ with a verification function for those departments receiving an operational audit. The Internal Audit Department examines the appropriateness and effectiveness of Dai-ichi Life and its Group companies' compliance, internal controls including risk management, and business operations in their overall management activities, discovers and points out problems, assesses their internal controls, makes proposals for improvements, and reports the results of operational audits to the Board of Directors and the Executive Management Board.

Internal Control

Internal Control Policy

Risk Management

Compliance Initiatives

Ensuring the Appropriate Operations at Subsidiaries

Handling of Antisocial Forces

Internal Control over Financial Reporting

Verifying the Adequacy and Effectiveness of Internal Control through Internal Audits

Information Property Protection

Basic Recognition

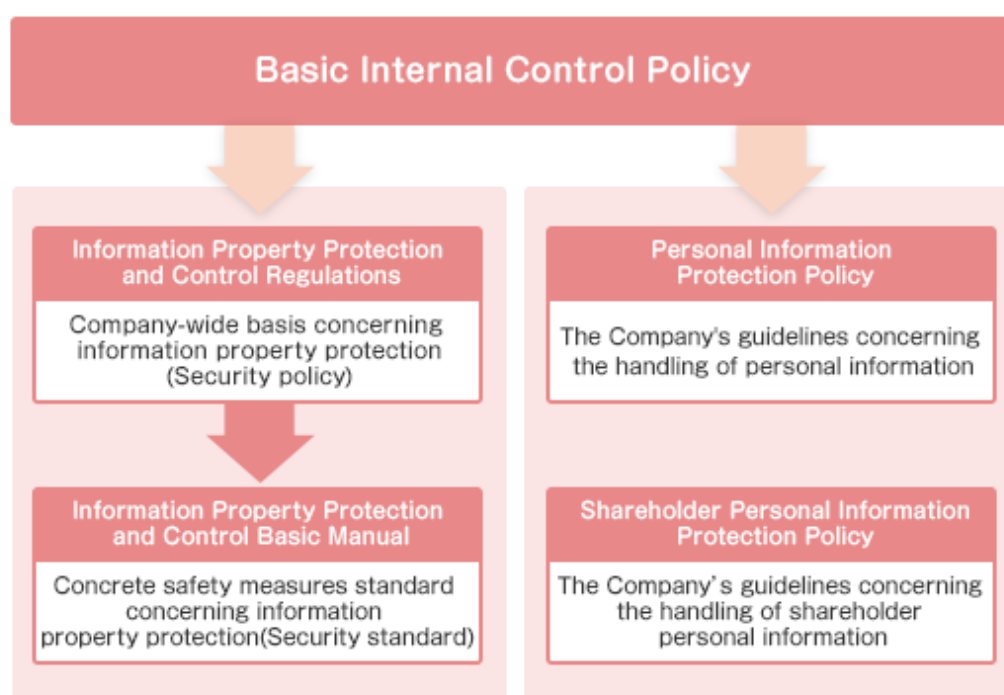
Dai-ichi Life keeps personal information on customers, including their names, dates of birth, addresses, contract details, and medical information, for long periods and also retains information about business clients that the Company has obtained in the course of its operations, such as financial transactions. The Company believes that complying with laws, regulations and its internal regulations and managing the protection of information property appropriately are the major premise for earning the trust of its customers.

Policy, Regulations, etc. Associated with the Protection of Information Property

Dai-ichi Life has established Internal Control Policy for Dai-ichi Life Group and Basic Internal Control Policy. Under these policies, it has established basic policies and regulations, including Information Property Protection and Control Regulations, to set out basic principles and rules for protecting information property and standards for appropriately protecting information property. Dai-ichi Life has also created the Information Property Protection and Control Standards, which stipulate the details of standards for specific security measures. Based on the spirit of the Act on the Protection of Personal Information, Dai-ichi Life has established a Personal Information Protection Policy and a Shareholder Personal Information Protection Policy, which describe the purposes of the use of personal information and shareholder information and the protection and control of personal information and shareholder information, based on decisions by the Board of Directors. These policies are posted on the Company website.

The Company has created a Compliance Manual and an Information Property Protection and Control Manual, which specify rules and regulations related to the control and promotion of information property protection, as well as points to keep in mind in the execution of operations. The Company has distributed these manuals to all directors, executive officers and employees and has provided training programs based on the manuals to keep them fully informed about the contents.

Information Property Protection and Control Regulation System



Organizational Systems Associated with the Protection of Information Property

The Information Property Protection Working Group, which has been established as a subsidiary body of the Compliance Committee, discusses important matters related to the promotion of information property protection and reports the results of the discussions to the Compliance Committee. We have established an Information Security Management Center, a permanent organ that promotes protection of information property across the board, within the Compliance Control Department. The Information Security Management Center gives the necessary instructions and support to each head office department and each branch, and develops a system for the appropriate protection and management of information property in each organ through compliance managers and compliance promoters, who have been appointed across various departments.

The Internal Audit Department regularly carries out operational audits to ensure that these systems are working effectively throughout the Company and reports the results of the audits to the Board of Directors and the Executive Management Board.

The Company is working to establish the Group's information management system according to each sector and the quality and quantity of information owned by the Group, with the Group Compliance Unit taking a central role in obtaining the cooperation of the Group companies.

Information Property Protection and Control

Dai-ichi Life has developed information property protection and control systems based on the Act on the Protection of Personal Information, guidelines, and other regulations associated with the protection of personal information in the financial industry by taking the following safety control measures in terms of its human capital, organizations, and technology:

- Publishing its personal information protection policy and developing internal regulations on the protection of information property
- Strengthening compliance with information handling rules through regular staff training and conducting regular inspections of compliance with the rules
- Establishing a firewall, regulating access to data inside the Company, and acquiring logs as a measure to prevent unauthorized external access from outside
- Supervising and checking outsourcing service providers, including their subcontractors

Handling of Requests for the Disclosure of Personal Information and Others

When customers or shareholders request the disclosure of their own personal information, Daiichi Life promptly and appropriately responds after confirming that the requests have been made by the customers or shareholders themselves or by legal proxies.

Information about disclosure requests based on the Act on the Protection of Personal Information is also available on Dai-ichi Life's website.

Handling of Comments, etc.

Dai-ichi Life responds promptly and appropriately to any comments, etc. about the handling of customer information or personal information.