

## Stakeholder Communication

We understand our customers, Local community/society, Shareholder/investor, business partners, and employees as stakeholders who are deeply involved in our business activities. Based on opinions and evaluations obtained through active communication with various stakeholders, we aim to promote higher quality activities and enhance corporate value by reflecting our understanding of issues in our business activities.



## Stakeholder Dialogue

### The Dai-ichi Life Group's Basic Approach

The Dai-ichi Life Group holds a stakeholder dialogue every year to provide opportunities for two-way dialogue between outside experts and internal officers and employees as a means of reflecting various stakeholders' opinions in the Group's business activities. We invite experts in a wide range of fields and reflect their opinions and assessments in the Group's business activities taking into account the latest social conditions, with a view to taking high-quality initiatives.

\* The company name, the affiliation and position of employees and outsiders are at the time.

## To Strengthen Governance -Initiatives at Dai-ichi Life Group and the Roles of Outside Directors-

We spoke with Mr. George Olcott, an outside director of Dai-ichi Life, about efforts to strengthen the governance of Japanese companies and Dai-ichi Life and the role of outside directors.



### Outline of the Stakeholder Dialogue

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| Theme       | To Strengthen Governance<br>-Initiatives at Dai-ichi Life Group and the Roles of Outside Directors- |
| Stakeholder | George Olcott, Outside Director   |

\* The affiliation and position are at the time when the dialogue was held for producing Annual Report (published in July, 2016).

**Q. Changing governance practices in Japan has recently been drawing considerable attention. How do you evaluate the governance of Japanese companies in general and that of Dai-ichi Life?**

A. I think that the governance reforms of Japanese companies are moving things in a better direction. In the past, a serious problem with Japanese boards emanated from the fact that the board consisted almost entirely of internal directors. As most important decisions relating to the company's strategy and investments had been made separately at the executive board, the board of director's role was merely to rubber stamp these decisions. Today, however, the culture of external oversight over the decision-making process is becoming more embedded thanks in large part to the introduction of the Corporate Governance Code. The introduction of two or more outside directors is spreading thanks to changes to the listing rules of the Tokyo Stock Exchange. The increase in the number of outside directors from two to five in the previous fiscal year at Dai-ichi Life is a good example of its governance reforms. I believe that this has improved the transparency and objectivity of decision making. On the other hand, care needs to be taken in the selection of outside directors. A diverse and balanced board is essential for the promotion of objectivity and avoidance of bias. Outside directors should raise questions about agenda items from various perspectives and question the company executives until they are convinced that proposals made by executives are truly for the benefit of all stakeholders, but particularly shareholders. I think that through this process, management as a whole will move in the same direction. The outside directors of Dai-ichi Life are well balanced, including a lawyer, an experienced investment banker and a person with experience in financial authorities. Dai-ichi Life has a foreigner and two women. Although outside directors are not specialists in the life insurance industry, there is active debate at the board and we express opinions from our various perspectives based on our careers and other experiences.

**Q. What are your views on the role of an outside director?**

A. The role of an outside director is not to direct the strategy of the firm or make specific proposals at the board. The main responsibility of outside directors should be to ascertain that the company has clearly set a vision and mission, that this vision and mission makes sense and will increase corporate value and that it has the strategies to realize its vision and mission and the resources to support those strategies. Without full participation in the formulation of the company's long term objectives and strategies, it is difficult for outside directors to make sense of the company's investment plans and proposals, and to make a meaningful contributions when, for example, a specific M&A proposal is debated at the board. Therefore, it is also very important to hold discussions about not only individual projects, but to hold regular and thorough discussions on medium- to long-term strategies. Checking that the company has effective risk management systems and proper internal controls is also an important role.

**Q. What are other key governance issues for a global company?**

A. Among listed Japanese companies, the number of female outside directors has increased quite sharply in recent years, from 150 in 2001 to 816 in 2014. That number is still considerably lower than in almost all other OECD countries. However the number of foreign outside directors is still shockingly low and has barely increased, rising from 232 to only 274 out of approximately 40,000 directors of listed Japanese firms in the last 15 years. Diversity is still a major challenge facing Japanese companies, given the role of outside directors to bring diverse perspectives to board discussions. I also think that there is still considerable scope to reflect the voice of shareholders and investors in the management of Japanese companies in general. In the United Kingdom, there is a lead outside director, and a key role of the lead outside director is to have a clear understanding of how shareholders view the company. The lead director therefore needs to keep in close touch with institutional investors. Japan may not yet be ready for this system, but there are still many Japanese companies that do not give feedback on the results of IR activities, including those overseas, to the board of directors, and I think that this is an issue they should address. At Dai-ichi Life, board members receive regular updates on IR activities in Japan and overseas and it is important for the board of directors to continue to hold discussions where the expectations of shareholders and other stakeholders are truly reflected. I believe that Dai-ichi Life will enhance its international presence in the future. The more that presence increases, the stronger the governance system that will be required. It is important that the company continues its efforts to strengthen governance.



# Customers

## Group Policy

We take the following initiatives in order to improve our products and services with a view to achieving the group mission of "By your side, for life."

## Specific Initiatives

### Collection of opinions and requests through various contacts with customers

The Dai-ichi Life Group works to improve our products and services by proactively collecting opinions and requests through various contacts with customers such as Total Life Plan Designers (sales representatives), contact centers (call centers), insurance shops (consulting counters), our website, and agents.



Dai-ichi Life Insurance Shops

### Roundtable Conference with Customers

At Dai-ichi Life, we hold roundtable conferences with customers at branch offices on a regular basis so that we can listen to the opinions and requests of our customers directly for the purpose of improving our products and services. At actual roundtable conferences, we receive many requests and opinions concerning the Total Life Plan Report, product development, and response to elderly residents. In addition, the explanation of management by our executives has been well received by customers. We are intent on continuing enhancing the roundtable conferences and reflecting the feedback therefrom in improvements to our business operations.



### Customer Satisfaction Survey

At Dai-ichi Life, we conduct a customer satisfaction survey to measure the degree to which we are attaining our goal of Maximize Customer Satisfaction, as set forth in our basic management policy. To be specific, we determine customer satisfaction through a survey performed by an outside agency, covering individual and corporate customers, and use the survey results for initiatives to improve customer satisfaction. We will continue understanding customer satisfaction and use our understanding for initiatives aimed at further improving customer satisfaction.

## Advisory Committee for Business Quality

At Dai-ichi Life, we established the Advisory Committee for Business Quality in 2006 as an advisory board to the Quality Assurance Promotion Special Committee for receiving opinions from a consumer-based perspective. More specifically, we consult with the Advisory Committee for Business Quality on issues discussed at the Quality Assurance Promotion Special Committee, with the opinions obtained reflected in improvements to our business operations. The Benefits and Claims Payments Screening Committee was merged with the Advisory Committee for Business Quality in fiscal 2012 and now the committee also addresses matters concerning the management of insurance payouts. We will continue receiving opinions from a consumer-based perspective to further promote improvements to our business operations.



## Consumer Focus Group Program

At Dai-ichi Life, we have been operating the Consumer Focus Group Program since 1984 in an effort to listen to the opinions of our consumers and we have experts in consumer issues, advisers at consumer centers and advisory specialists for consumers' affairs assist us as consumer monitors. We receive opinions and advice from various perspectives on our products and services through roundtable conferences in major cities throughout Japan and reflect them in the improvement of our business operations.



\* Advisory Specialists for Consumers' Affairs: Persons accredited by the Prime Minister of Japan and Minister of Economy, Trade and Industry to develop human resources that can serve as a pipeline between companies and consumers. We have been an active proponent of this accreditation program, with 422 employees currently holding the designation (As of April 2016).

## Visits to the National Consumer Affairs Center of Japan

At Dai-ichi Life, General Managers of our branch offices regularly visit some 180 locations of the National Consumer Affairs Center of Japan for the purpose of providing information on life insurance and Dai-ichi Life as well as obtaining information on inquiries and complaints related to life insurance brought up locally and receiving feedback from consultants, and report the requests collected to the Executive Management Board. We will continue visiting the National Consumer Affairs Center of Japan and push forward efforts to build a relationship of trust in the community.

## Seminars and Exchange Events for Managers

At Dai-ichi Life, we hold events for managers throughout Japan with a view to providing information to corporate customers (managers) and helping them resolve management issues. Specifically, we hold seminars where specialists from inside and outside the company give lectures, as well as exchange events aimed at exchange of information and business matching among managers. We will continue planning and holding events tailored to the needs of society and communities in an effort to not only improve corporate customer satisfaction but also contribute to the revitalization of local economies and industries.

# Community and Society

## Group Philosophy

At the Dai-ichi Life Group, we take the following initiatives for the purpose of growing together with the community and society as a good corporate citizen.

## Specific Initiatives

### Collaboration with External Organizations

The Dai-ichi Life Group carries out various activities by working with external organizations in order to contribute to the community and society. Specifically, we conduct blood donation activities for employees with the Japan Red Cross, charity sales promotion events to employees with local welfare facilities and organization as the exhibitors, and volunteer awards in conjunction with the Japan Philanthropic Association in order to further enhance social contribution activities of employees. Going forward, we will pursue contribution activities that are needed by the community and society by incorporating external perspectives through close collaboration with external organizations.



Blood donation activities for employees

### Dialogue with Outside Experts

At Dai-ichi Life, we regularly conduct dialogues by outside experts and the company's executives in order to utilize various opinions from stakeholders in management. We will continue making efforts so that we can steadily fulfill our social responsibilities and grow by asking about opinions and requests concerning business activities overall and using such information to improve day-to-day activities as much as possible.



Stakeholder Dialogue for Fiscal 2015

### Partnership with Local Governments

At Dai-ichi Life, we assist local communities in resolving the challenges they face by concluding partnership agreements tailored to local governments using our strength of having branch offices throughout Japan. We have established cooperative relations with local governments in a wide array of fields, including cancer awareness agreements under which we mainly provide health and medical information for raising the cancer examination rate and agreements on activities to check up on elderly residents that support the safe living of the elderly. Going forward, we will continue pushing ahead with partnerships with more local governments to support community revitalization.



Agreement signing ceremony  
President Watanabe of Dai-ichi Life (left)  
Governor Kuroiwa of Kanagawa Prefecture (right)

# Shareholders and Investors

## Group Philosophy

At the Dai-ichi Life Group, we take the following initiatives for the purpose of disclosing company information in a timely and appropriate manner and using useful requests and opinions from dialogue with shareholders and investors as reference for company management.

## Specific Initiatives

### General Meeting of Shareholders

At Dai-ichi Life, we hold the Annual General Meeting of Shareholders in late June of each year to report important matters concerning the company to shareholders for them to resolve such matters. In addition to the explanation of business operations and the management plan given by the president, we are working to enhance two-way communication through questions and answers. Furthermore, we are taking initiatives such as online exercise of voting rights and participation in the electronic voting rights execution platform for institutional investors with an eye to improving the environment for exercising voting rights.

\* We will hold the Annual General Meeting of Shareholders as Dai-ichi Life Insurance Company, Limited until Fiscal 2016, and as Dai-ichi Life Holdings, Inc. from Fiscal 2017.



### Financial Results Conference Call

We hold a Financial Results Conference Call four times a year where senior management explains the Dai-ichi Life Group's financial results to institutional investors and analysts. The Dai-ichi Life Group's top management directly explains such matters followed by a question and answer session. The Financial Results Conference Call is made widely available via online streaming.

### Financial Analyst Meeting

We hold a Financial Analyst Meeting twice a year where the president explains the Dai-ichi Life Group's strategy to institutional investors and analysts. The president directly explains such matters followed by a question and answer session. The Financial Analyst Meeting is made widely available via online streaming. In addition, we hold "Analyst Day" in which officers in charge of major departments directly explain their management strategies, and make the explanatory materials widely available via online streaming.



## Visit to Domestic and Foreign Institutional Investors and Separate Response

We have separate dialogues with more than 300 domestic and foreign institutional investors a year. Of those institutional investors, more than 100 are foreign institutional investors with whom we actively communicate including separate response by senior management.

## Response to Inquiries from Sell-side Analysts, etc.

We respond to inquiries as necessary from sell-side analysts working for securities companies who analyze financial results and compile a report of stock price forecasts.

## Interaction with individual investors

We participate in IR events which bring together more than 100 companies every year and hold company information sessions nearly 20 times a year. We engage in active exchange mainly through the explanation of the Dai-ichi Life Group, including strategy and financial results, to individual investors who actively conduct equity investment.



IR Event



Presentation by the president

## Seminar for Individual Investors

We hold seminars for individual investors about 20 times a year to explain the company profile, financial results, and the Dai-ichi Life Group's initiatives aimed at future growth.

# Business Partners

## Group Philosophy

At the Dai-ichi Life Group, we take the following initiatives for the purpose of promoting fair and equitable business dealings with suppliers and contractors of goods and services, and agents to build sound relationships.

## Specific Initiatives

### Initiatives for Contractors

At Dai-ichi Life, when selecting contractors, we evaluate them according to multiple perspectives, including information safety management and elimination of anti-social forces, and conduct site visits as required. And, once a year, we conduct a regular inspection of the contract details, as we strive to manage our outsource business properly and professionally.

For our work related to underwriting and maintaining insurance contracts, and our business duties, including printing and sending documents and forms to customers, the company outsources part of that to outside contractors.

### Consideration for the Environment during Selection of Business Partners

Dai-ichi Life regularly conducts surveys of the environmental initiatives of our major business partner. And, in addition to installing environmentally-friendly OA equipment, we promote "Green Purchasing," which is the preferential purchasing of products that put little load on the environment. In addition to formulating our company's "Green Purchasing Guidelines," when purchasing office consumables, etc., as a rule, we purchase Green Purchasing-compatible products through our in-house bulk purchasing system.

### Training, Education, and Support for Agents

At Dai-ichi Life, we outsource the sales of our products to professional agents of Sompo Japan Nipponkoa Insurance with whom we have forged a comprehensive business alliance and support activities, including presentation of proposal methods and preparation of insurance design, for the purpose of providing total consulting services which cover life insurance and non-life insurance to customers. In addition, we hold an awards ceremony every year to honor agents that achieved remarkable sales results for our products. Also, Dai-ichi Frontier Life has established a call center for agents separate from its customer call center. Each call center continually works to strengthen its system for responding promptly and accurately to inquiries about products and procedures.

# Employees

## Group Philosophy

At the Dai-ichi Life Group, we take the following initiatives for the purpose of ensuring a positive work environment where diverse human resources can play active roles.

## Specific Initiatives

### Message from the President

At the Dai-ichi Life Group, we have established an initiative that connects directly the president and employees by utilizing the company's intranet. The network is operated so that the management vision can be shared throughout the entire company. It can also pass along messages and official speeches given by the president on special occasions such as on anniversaries of the company's founding, etc. This initiative provides interactive communication so that employees are also able to convey to the president any questions and concerns regarding day-to-day operations. The feedback that the president's responses generate can also be shared with the entire company, etc.



Message from the President over the intranet (Image)

### Dialogue with Top Management

At the Dai-ichi Life Group, we conduct dialogue with top management as an opportunity for top management to seriously listen to employee views. Within this framework, executives visit the workplace and share with employees the background and views associated with various business challenges, in addition to management directly fielding questions and opinions from employees. Internal communications are invigorated through such direct discussions, and this framework also works to create an organization brimming with energy and a sense of unity.



Dialogue with Top Management

## Training and Support Systems

Dai-ichi Life Group has employees who play a variety of roles, and boasts the largest number of employees in the country, including approximately 40,000 Total Life Plan Designers.

By defining training systems to help each individual employee increase the value they add to the company through reviewing their skills and workstyles, and strengthening our organizational management capabilities by strengthening cooperation between superiors and subordinates, within and between departments, etc., we are enhancing our self-development systems, such as training programs and e-learning to suit each respective job level.

Among those systems, in group training, our aim is not only to earn customers' trust by learning useful advanced knowledge and skills, but it is also designed to be a place where participants come together from all over the country to strengthen their practical skills by engaging in potluck discussions of their respective challenges, sharing diverse ideas and values, and honing their skills as the next generation of leaders.

## Determining Employee Satisfaction

At the Dai-ichi Life, we have conducted an employee satisfaction (ES) survey since fiscal 2003. This survey is used both to gauge current ES and to consider any measures to be undertaken in response to challenges. An accommodating work environment is being developed by the identification of challenges and by the implementation of responses to them.

## Whistleblowing System (Internal and External Consultation Service)

To enhance corporate governance, the Dai-ichi Life Group has established a consultation service within and without each company in accordance with the Whistleblower Protection Act to act as a channel through which employees can directly report and consult on important compliance matters. Specifically, the consultation service within each company receives reports concerning violations of laws and regulations and internal rules and outside lawyers of the external consultation service handle and resolve matters reported by employees of each company under a system independent from management. Going forward, we will work to enhance governance and the trust of customers by listening sincerely to various feedback.

## Consultation Service Related to Human Resources

At the Dai-ichi Life Group, for the purpose of handling various consultations concerning career path with a view to enhancing employees' human resource value, career advisors with special skills offer appropriate advice in order to encourage those seeking consultation to resolve matters on their own, and support the career development of employees.

## Labour Unions

The Dai-ichi Life Labour Union employs a union shop system whereby both in-house staff and sales representatives are union members. There are some 50,000 people (as of April 1, 2016) to whom the conditions of union membership apply. The company and the union engage in an active exchange of opinions via discussions held in various committees to both realize a wealthier and more cheerful lifestyle for union members, and so as to create a satisfying and positive workplace for them.