

Message from the President

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"Peace of Mind. In Communities and around the World."

The Dai-ichi Life Group has constantly pursued what's best for its customers and for society over its long history. This approach is now represented by our Group Mission "By your side, for life" and embraced by everyone even when our businesses have expanded worldwide. This has been made possible by the unwavering commitment of our predecessors to constantly innovate.

Having assumed the position as president in April 2017, my mission is to ensure we pass on this approach to pursue what's best for creating the future for our customers and society. At the same time, my role is to lead further innovation efforts together with the Group's leadership team.

The Group adopted the medium- to long-term vision "Peace of mind. In communities and around the world" when it started the medium-term management plan, "D-Ambitious," in fiscal 2015. Our goal is to become an insurance company that delivers what's best for every community and country where we operate and offers peace of mind to every customer. With this goal in mind, we are working group-wide to take on the challenges needed to achieve this vision.



Achieved Record High Profits Driven by Three Growth Engines

Fiscal 2016, the second year of our medium-term management plan, D-Ambitious, was represented by a challenging business climate with the Bank of Japan's introduction of a negative interest rate policy and worldwide political and economic uncertainty.

Nevertheless, the Dai-ichi Life Group's three growth engines (the domestic life insurance business, the overseas life insurance business, and the asset management business) were able to generate solid results on the back of the diversification of its businesses and geographic coverage as well as optimal risk controls. Even today, we are moving forward with our growth strategy.

Fiscal 2016 marked the sixth consecutive year the Dai-ichi Life Group has posted an increase in profits and a record high since our share listing. We also increased shareholder dividends for the fourth consecutive year as a result of our efforts to enhance shareholder returns.

Due to broad changes in the business climate since we started D-Ambitious, we decided to make changes and revised certain targets. We believe these are necessary in order to carry out sustained value creation by implementing our growth strategy with a medium- to long-term perspective, without being affected by short-term economic volatility. The fundamental aspects of the Dai-ichi Life Group's growth strategy remain unchanged. We will also firmly maintain the target of a 40% total payout ratio.

Toward Sustainable Growth in the Future

Leveraging Our Ability to Take Advantage of Change

The world is changing rapidly and growing more complex with advancements in science and technology. As a result, as symbolized by the term C to B (consumer-to-business), we have entered an era where customers with diverse values drive corporate activities and companies that fail to address the needs of these customers will be unable to grow.

Now is precisely the time to evolve the spirit of innovation we have cultivated. We take advantage of the changes by foreseeing future trends and forge the future. With strong conviction, we will achieve further growth by forging the future through innovation for our customers with unsurpassed speed and with a customer-centered approach.

Pursuing Further Value Creation and Group Synergies

How do we forge the future through innovation? We believe it is achievable through strengthening the businesses that comprise the three growth engines and introduction of InsTech, which refers to initiatives aimed at new innovation creation unique to the life insurance business, collectively as a group.

In the domestic life insurance business, while keeping an eye on the further diversification and growing sophistication of customer needs, we are engaged in various initiatives including the development of our sales rep channels, expansion of the insurance agent channel, and development of competitive products and services at our three brands. We will also quickly begin activities to raise efficiencies utilizing analysis of big data, improve productivity using our advanced consulting capabilities, and enhance competitiveness by providing new added value focused on health.

In the overseas life insurance business, we will work to develop new channels and make investments in order to support organic growth to boost earnings in the United States and Australia. We will also aim for further growth in Asian countries by examining the potential for expanding into the Mekong region, which is a promising growth market of the future, ahead of our peers.

In the asset management business, which is growing worldwide, we have established a global trilateral structure led by Asset Management One and Janus Henderson that covers Japan, the United States, and Europe, with an eye on further market growth. We will aim to achieve robust earnings growth supported by complementing the business in each market and achieving synergies of each company.

Additionally, in terms of InsTech, we will combine the vast amount of customer data retained by the Group with outside data to lead the industry in providing new value in products and services, in order to offer peace of mind to customers, whose needs are expected to become more diverse in the future.

The benefits of transitioning to a holding company structure will be leveraged when we forge the future with innovation. In addition to the flexible allocation of management resources and quicker decision-making at Group companies, we will pursue growth by utilizing the value creation synergies produced by exchanging diverse and talented personnel across the Group and sharing best practices.



Lastly

We will implement our various strategies with a medium- to long-term perspective while further reinforcing our group structure so that we are able to tackle the changes of tomorrow and forge the future through innovation. I kindly ask for your continuing support and guidance of the Dai-ichi Life Group as we move forward.