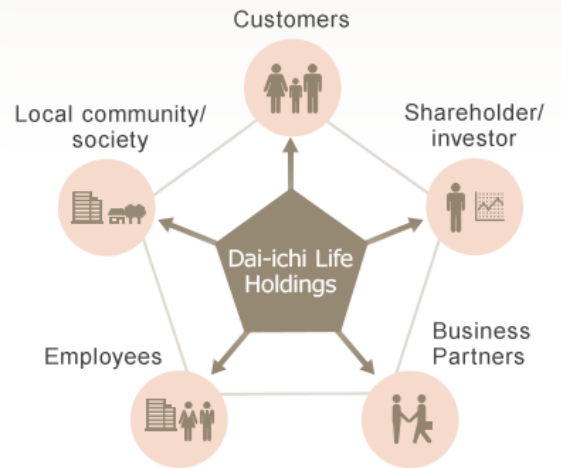


Stakeholder Communication

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.

Aiming to Build a Global Governance System that Achieves Sustainable Value Creation

The Dai-ichi Life Group has promoted business diversification and geographical diversification proactively, seeking to enhance its sustainable creation of value. We invited Nicholas E. Benes, Representative Director of The Board Director Training Institute of Japan—who has extensive knowledge in the area—to discuss the Dai-ichi Life Group's ideals for its future governance.



Seiji Inagaki (Right)
President and
Representative Director

Nicholas E. Benes
Representative Director
The Board Director
Training Institute of Japan

Morinobu Nagahama (Left)
Director (Senior Audit &
Supervisory Committee Member
(Full-Time))

Toshiaki Sumino (Left)
Executive Officer,
Chief of Corporate Planning Unit

Rieko Sato (Right)
Outside Director (Audit &
Supervisory Committee Member)

Profile of Nicholas E. Benes

After obtaining a JD/MBA degree in the United States, Nicholas Benes joined the investment banking division of J.P. Morgan. He worked there for 11 years with responsibility in a variety of product areas. He subsequently established an M&A advisory boutique in Japan. In addition to serving as an outside director at numerous companies, in 2013 he proposed the creation of Japan's Corporate Governance Code. He currently serves as Representative Director of The Board Director Training Institute of Japan, which provides training and consulting for executives and directors with the aim of strengthening governance.

Outline of the Stakeholder Dialogue

Theme	Aiming to Build a Global Governance System that Achieves Sustainable Value Creation

External Stakeholder	<ul style="list-style-type: none"> Nicholas E. Benes, Representative Director, The Board Director Training Institute of Japan
Participants from the Company	<ul style="list-style-type: none"> Seiji Inagaki, President and Representative Director Morinobu Nagahama, Director (Senior Audit & Supervisory Committee Member (Full-Time)) Rieko Sato, Outside Director (Audit & Supervisory Committee Member) Toshiaki Sumino, Executive Officer, Chief of Corporate Planning Unit

* The affiliation and position are at the time when the dialogue was held for producing Annual Report (published in August, 2017).

Building a governance system that supports the expansion and diversification of business

The Group transformed itself through demutualization and shifted to a holding company structure to respond swiftly and optimally to changes in the business environment

Benes | Management at Dai-ichi Life has changed significantly over the past 10 years, with overseas expansion in 2007, demutualizing and listing in 2010, and shifting to a holding company structure in 2016. Could you explain the background to these changes?



Inagaki | The domestic life insurance business environment has become increasingly challenging. Take the declining population and the introduction of the negative-interest-rate policy, for example. In this environment, the Group has promoted both business and geographical diversification in order to maintain its ability to sustainably create value. Specifically, we have created three domestic life insurance companies, expanded into the overseas life insurance business, including the Asia-Pacific region and the U.S., and strengthened our domestic and overseas asset management businesses. We have now become a diversified group with three domestic life insurance companies, six overseas life insurance companies, and two domestic and overseas asset management companies. We have continuously sought to develop the optimal governance system for tackling changes in the business environment and achieving healthy growth. The results of these efforts translated into the process of shifting from a mutual company to a stock company, and then to a holding company structure.

Benes | What were the main objectives for shifting to a holding company structure?

Inagaki | The Group aims to speed up growth through the reallocation of capital within the Group. Within the Group, an extremely large but mature domestic life insurance business co-exists with new businesses that have yet to grow to significant size. We opted for a holding company that can focus on governance of the entire Group, rather than giving a single operating company the role of appropriately and swiftly determining how much capital to allocate to each business. Another objective was to build the business foundation for executing bold strategies in the future. For example, whereas the business scope of subsidiaries of life insurance companies is strictly regulated under the Insurance Business Act, an insurance holding company can expand into a wide range of business.



Pursuing best practice as a company with an Audit & Supervisory Committee

Leveraging a sophisticated internal control system in pursuit of highly effective governance

Benes | Could you explain the reasons why Dai-ichi Life Holdings chose to be a company with an Audit & Supervisory Committee?

Inagaki | Before our final decision, there were differing opinions, and we had serious discussions with all members of our board and senior executives. The reason why we finally decided to be a company with an Audit & Supervisory Committee was the belief that since the holding company's main duty is the management and administration of Group companies, it is best for its Board of Directors to act as a "monitoring board" focusing on supervisory functions.

Benes | Do you think governance is working well, as a company with an Audit & Supervisory Committee?

Nagahama | Yes. The Audit & Supervisory Committee at Dai-ichi Life Holdings strives to ensure highly effective governance. Once we launched the system, we wanted to run it as one having the best practices. We set high standards, taking into account the Companies Act and the expectations of society, and based on the know-how we have built up to date. I myself have been involved in the Company's internal control system for a long time, having also served as the officer in charge of internal auditing. At present, as the Chairman of the Audit & Supervisory Committee, I am constantly working to increase the efficiency of supervision while utilizing the internal control system, including liaising between the internal audit units and our external audit firm.



Benes | The life insurance business is based on long-term policies that run for several decades. Actuarial accounting is also complex, so a high level of expertise and a long-term management perspective is required. Is it difficult to deeply understand the business and make the supervisory functions work?

Nagahama | At the Audit & Supervisory Committee, we take plenty of time to interview each executive officer. After identifying the business issues raised by each executive, we check whether and how these issues are actually addressed in the execution of duties by that person.

Sato | In the beginning, I did not necessarily support adoption of the Audit & Supervisory Committee system. The corporate auditor (kansayaku) system is unique to Japan and is sometimes described as difficult for people from overseas to understand, but its corporate auditors are endowed with extremely strong authorities and an "independent decision-making" system in which each individual corporate auditor can request reports and carry out investigations. So, some argue that governance functions meaningfully because of this aspect. Compared to this, in the case of the Audit & Supervisory Committee, it is not the individual members who have the authority to investigate but the committee that makes such decisions, as a group. Nevertheless, in the course of discussions, I came to recognize that an extremely sophisticated internal control system was already established at the Company. I realized that if it was linked well to the internal control system, the functions of the Audit & Supervisory Committee would be fulfilled when an issue was raised by an outside director, even if that person did not have an individual authority to investigate. Believing that Dai-ichi Life Holdings could achieve highly effective governance that would be a model to other companies with an Audit & Supervisory Committee if we "aim for best practice," I supported adoption of the new system on that assumption. Now that we have made the transition, my concerns have been eliminated, and I actually think that we can check the appropriateness of the execution of directorial duties more widely than regular corporate auditors.

Benes | How do you make sure that the outside directors are informed well enough to maintain effective oversight?

Nagahama | Since the establishment of the holding company in October 2016, the Board of Directors has met 12 times, and the Audit & Supervisory Committee has met more frequently. In addition to that, preliminary briefings are held for the outside directors, depending on the importance of the agenda items.

Sato | Including some internal events we participate in so that we can understand the business better, I think we actually visit the Company about three times a month. Also, I do think that the outside directors are well informed, including the advance distribution of materials for the Board of Directors. Moreover, aside from meetings that are conducted internally, we have independently held "executive session" meetings that allow for free discussion between the outside board members, in order to deepen our understanding of agenda items and enhance discussions.



Benes | That's an extremely positive initiative. Exchanging opinions in such forums will stimulate discussion at the Board of Directors.

Inagaki | I myself have served on the Board of Directors at U.S.-based Janus Capital Group (now Janus Henderson Group) as an outside director. We had onsite meetings once a quarter in principle, with video conferences held when necessary.

Benes | There is also the approach of reducing the frequency of meetings while deepening debate at each individual meeting. Were there any other initiatives like that at the Janus Board of Directors that could be instructive?

Inagaki | At the Audit Committee, which was a sub-committee to the Board of Directors, there were various innovations to enhance the effectiveness of governance. For example, the executive directors would leave the meeting to give the Audit Committee members, composed of the auditor and the outside directors, the opportunity to exchange opinions among themselves. I felt that it was a very sound organization. We hope to pursue the best governance for the Group while also learning from such cases at overseas companies.

Building a global management system in anticipation of the next generation

Focusing on securing and training diverse personnel as a true global company

Benes | The overseas business has come to account for about 30% of consolidated net income in fiscal 2016, so having a global management structure will be even more important going forward. Could you explain under what kind of structure you currently use?

Sumino | We supervise and support each overseas Group company through regional headquarters established in New York and Singapore. We hold an Executive Summit with the aim of sharing our corporate philosophy and values with overseas Group management. We also try to share information, strategies and policies at each level within the Group at events such as the Global Management Conference, where managers from each company get together.

Benes | Are there any cases in which the management of overseas Group companies take part in the management of the holding company?

Inagaki | At the moment, there are five executives who are treated as executive officers of the Company, and they take part onsite or by conference call when we deliberate on overseas strategy matters.

Benes | Training the next generation of personnel to run the global business in the future is also important.

Sumino | Exactly. In order to build up a diverse employee base, we are actively promoting mid-career employment and the employment of non-Japanese personnel, in addition to hiring new college graduates. While expanding the pool of human capital in this way, I hope that we will also be able to train people who can drive the overseas business, and develop candidates for next-generation executive positions in the process. We are also enhancing global employee interaction and training programs. In fiscal 2016, about 30 overseas Group employees participated in interaction programs in Japan, and we plan to increase this number to around 50 in fiscal 2017. In conjunction with these efforts, I think we have to develop a multi-lingual internal information infrastructure, to support the globalization of our business.



Benes | Speaking from my own experience, increasing diversity and cementing human networks within the Group will be a major advantage in remaining globally competitive. The individual strengths of talented personnel combined with human networks will surely help you to overcome the challenges you face to come up with new ideas.

"Respecting each other, learning from each other, growing together"

Benes | I think that when you try to strengthen the supervisory and oversight functions for overseas Group companies, there is always a possibility of friction due to cultural differences and other factors. As a holding company, what approach do you take to this?

Inagaki | The life insurance business is basically a local business, and it is a business that will not run well based on top-down instructions and orders alone. Koichiro Watanabe, Chairman of the Board, expressed the approach that forms the basis of the Company's global management, in the concepts of "respecting each other," "learning from each other," and "growing together." At a very fundamental level, I think that these concepts express the essence of good governance. The Dai-ichi Life Group has treasured this mindset since the days when it was a mutual company devoted to the domestic life insurance business. These concepts have remained alive after the Group has transformed itself through business and geographical diversification, and I would like to make sure that they will be resolutely passed on in the future.



Stakeholder Dialogue

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

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.

Roundtable Conference with Customers

Customer Satisfaction Survey

Advisory Committee for Business Quality

Consumer Focus Group Program

Visits to the National Consumer Affairs Center of Japan

> Please see "Initiatives for Customers" for details.

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.

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 the Dai-ichi Life Group, 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 2017

Partnership with Local Governments

At the Dai-ichi Life Group, 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
Governor Hirai of Tottori Prefecture
(Second from the left)
President Inagaki of Dai-ichi Life
(Fourth from the left)

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

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 each company and with external lawyers 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 52,000 people (as of April 1, 2017) 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.