

Message from the President



The Dai-ichi Life Group's Commitment - Contribute to Resolving Social Issues -

Since our foundation in 1902, the Dai-ichi Life Group has consistently grown, with its commitment to contribute to resolving social issues through the life insurance business. Prior to World War II, we contributed to stability in people's lives by providing savings-type life insurance. After the War, we contributed to Japan's economic growth by investing in companies and protecting people's livelihoods by providing protection-type life insurance. In recent years, we have been contributing to various lifestyles through insurance as well as other products and services. These contributions have enabled us to be a part of people's lives and progress together with Japanese society.

From here on, we will contribute to resolving social issues more than ever before by combining the collective strengths of the Group to meet and exceed the needs of people and communities in every country and region around the world where we operate.

I would like to take this opportunity to explain the strengths that have underpinned the Dai-ichi Life Group's commitment and outline how we plan to contribute to society in the future by utilizing these strengths.

Strengths Underpinning Our Commitment -“Pursue What’s Best” and “Spirit of Innovation”-

“Pursue what’s best” and “spirit of innovation” are the two strengths that have underpinned the Dai-ichi Life Group’s commitment. The business philosophy of our founder, Tsuneta Yano, is embodied in the phrases, “the best rather than the largest” and “think about whether what we are doing will delight people everywhere, or will be dismissed as something they can do without.” The reason for our existence is not growing the size of our business, but rather in contributing to the happiness of forms the essence of “pursue what’s best. people and the progress of society. In other words, providing what is truly needed is valuable to us and ” This philosophy has been passed down for more than a century and is closely related to our Group Mission of “By your side, for life.”

The “spirit of innovation” is another business philosophy of our founder Yano, who established Dai-ichi Life as Japan’s first mutual company. This was a venture-like challenge unprecedented in Japan at the time. For Yano, it was the inevitable result of pursuing the best approach to insurance company management. Later, unlike many other companies, Yano adopted a high policyholder dividend payout model by purposely setting high insurance premiums. His style of management reinforced the company’s financial and management foundations while maximizing profit returns to customers over the long run. This management philosophy improved the credibility of the life insurance business and greatly contributed to the penetration of life insurance and the sound development of the life insurance industry in Japan. This year, which marks the 150th year since the beginning of the Meiji period, Yano was cited by the Government of Japan (Financial Services Agency) as one of the people who contributed to the establishment of Japan’s financial system in the Meiji period, and his achievements in the insurance industry were honored.

The achievements of Yano and his team, which continually pursued the best while taking on the challenge of creating new innovations, helped Dai-ichi Life earn the support of countless customers, propelling it to become Japan’s second largest life insurer by 1932.

The spirit of Yano continues to live strongly within the Dai-ichi Life Group. With regard to “pursue what’s best,” in recent years we provide high quality products and services to customers. We provide products not only developed in-house, but we also offer a variety of products and services introduced through strategic partnerships. We have enhanced our sales initiatives as well by establishing the concept of “life plan” as a consulting method that caters to the needs of customers in various livelihoods. In terms of the “spirit of innovation,” we were among the first to expand our business into overseas life insurance and asset management, and we became the first major Japanese life insurance company to demutualize and transition to a holding company structure.

This is how the Dai-ichi Life Group established its current business foundation that stretches across Japan and around the world.

“Integrity” and “Agility”

If I were to express the two strengths “pursue what’s best” and “spirit of innovation” in my own words, I would use the term “integrity” for “pursue what’s best” and “agility” for “spirit of innovation.” I believe it is essential to our future growth that each member of the Dai-ichi Life Group has a strong awareness of the spirit of our founder today, to work toward building upon our strengths. With this in mind, I share these words with our 70,000 employees in Japan and around the world.

The word “integrity” relates to the pursuit of the customer first spirit that satisfies customer needs more so than before, given the constantly changing dynamics of customers’ values and lifestyles. There are major changes taking place in people’s needs for life insurance. For example, the main role of conventional insurance products was found in protection to meet customers’ financial needs in case of an unforeseen event. In recent years, however, expectations have also been placed on prevention products that meet the needs of customers in terms of health promotion and illness prevention that is one-step ahead. We also play such a role with our ability to provide products and services tailored to the new and broad needs of customers and society, which results in providing value which is instrumental in our customer-first approach.

This represents our business, which is based on “integrity” that is well received by customers.

The term “agility” refers to the bold initial actions that we continually take to reform with “integrity.” In the future, information and healthcare technologies are expected to evolve further while the structure of society will undergo major changes as well. By taking advantage of changes with “agility” and actively reforming business models, we aim to create opportunities for new growth.

Dai-ichi Life Group demonstrates its strengths in all of the regions and societies where it operates by executing business with “integrity” and “agility.” As a result, we believe that we will be able to grow further by bringing joy to an even larger number of customers and communities.



Results of the Previous Medium-term Management Plan -Expanding the Philosophy of “Integrity” and “Agility” Globally -

Under our previous medium-term management plan “D-Ambitious,” which covered the period up to fiscal 2017, we expanded the philosophy of “integrity” and “agility” globally, and greatly picked up the pace of D-Ambitious initiatives across the Group.

In Japan, we established a three-brand system composed of Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life in order to optimally cover the needs of nearly every customer segment. Dai-ichi Frontier Life was spun off from Dai-ichi Life first, in 2007, on the assumption that demand for saving-type products would grow, and since then it has captured the top market share in over-the-counter insurance sales, a position it kept in 2017 as well. Neo First Life, which commenced operations in 2015, continues to grow with sharply increasing sales of medical insurance through agents including insurance shops.

Outside of Japan, our product and channel strategy succeeded as we properly adapted to changes in markets and needs along with local economic growth. In particular, Dai-ichi Life Vietnam and TAL in Australia captured and maintained a high market share in their respective markets. Protective Life in the United States supported profit growth of the Group through its powerful two-pronged business model of acquisitions and retail insurance.

In the Asset Management Business, two different Group companies merged with separate entities to capture even greater growth in their respective businesses and to establish a global business foundation spread across the three markets of Japan, the United States, and Europe. As a result, the Dai-ichi Life Group expanded and diversified its business foundation globally, and achieved double the profits targeted under the previous medium-term management plan. At the same time, we were able to steadily enhance corporate value, including reaching our targeted total shareholder payout ratio of 40%. Additionally, we transitioned to a holding company structure in October 2016 and laid the groundwork to reinforce our management structure for further growth in the future.

Taking the Group’s Strengths to the Next Level -Tackling the Challenges of CONNECT-

The Group will now seek out new growth opportunities by fully harnessing the business foundation we have built up in Japan and overseas, our robust financial foundation, strong brand, and the skills of our talented and highly experienced workforce of 70,000.

The concept behind our efforts will be CONNECT. The name of the new medium-term management plan, kicked off in fiscal 2018, is CONNECT 2020, and we have already put various initiatives in place.

Based on the concept of CONNECT, we will pursue connections, such as the creation of unique synergies through collaboration, harnessing the diversity of Group companies inside and outside of Japan, and strengthen partnerships and collaboration with outside business partners. Through these connections we will enhance the value of products, services and channels, and as a result, increase connections with more customers and communities.

By bringing about these connections through our business, we will respond to the needs of people for improved quality of life*, such as stable living through the penetration of life insurance, improved health, affluent lifestyles in later life, and contribute to new solutions to social issues around the world.

Our approach of contributing to resolve social issues through improved quality of life also matches the vision of the United Nations’ Sustainable Development Goals (SDGs). Contributing to resolve worldwide issues through our businesses that harness our strengths will benefit the sustainable development of the international community and, as a result, enhance the Dai-ichi Life Group’s growth potential and sustainability.

* Improved quality of life: realizing lifestyles in which people can live as they desire; lifestyles where one lives his/her life.



The Four Strategies of CONNECT

CONNECT comprises four strategies.

First is CONNECT with customers. We will reinforce and diversify our sales channels to ensure the Dai-ichi Life Group's products and services are provided to more customers, and we will enhance the value provided, so that we earn the support of more customers. In Japan, we will accelerate the mutual distribution of products and services across our three brands, strengthen the agent channel, and launch new products focused on improved quality of life, such as health promotion. Outside of Japan, we will contribute to stability of peoples' lives and the penetration of insurance by expanding in emerging countries, especially the Mekong region.

Second is CONNECT with communities. We will work alongside local governments and medical institutions and promote medical and education assistance more than ever before, in the countries where we operate in order to contribute to promoting people's health through our businesses and help find solutions to issues facing local communities.

Third is CONNECT with diverse business partners. We will work closely with business partners that have diverse customer segments to secure new contact points with various customers. In terms of InsTech initiatives, where new business opportunities can be found, we will speed up the Group's innovation through collaboration and cooperation with various companies, and startups from different industries that offer various strengths.

Fourth is CONNECT with Group companies. We will capitalize on the diversity of our Group companies, with business operations in various countries and regions, to learn from one another and find ways to take each other's initiatives to the next level. This will position us to achieve further growth in each business segment and reinforce the Group's management structure. For example, creating synergies between the life insurance business and asset management business, finding solutions through global exchanges of talent and know-how, and enhancing the Group's collective strengths.

In this way, we will seek to deliver value unique to the Dai-ichi Life Group, through the deployment of a business strategy based on these four connections in each of our businesses inside and outside of Japan.

Lastly

We will continue to leverage our two strengths that we refer to as "pursue what's best" and "spirit of innovation" as we forge the future with "integrity" and "agility" aiming to further contribute to resolve social issues. I kindly ask for your continuing support and guidance of the Dai-ichi Life Group as we move forward.

President and Representative Director
Dai-ichi Life Holdings, Inc.

