

The Marketing Strategy of Dai-ichi Life

Katsutoshi Saito, Deputy Chairman

Thinking People First

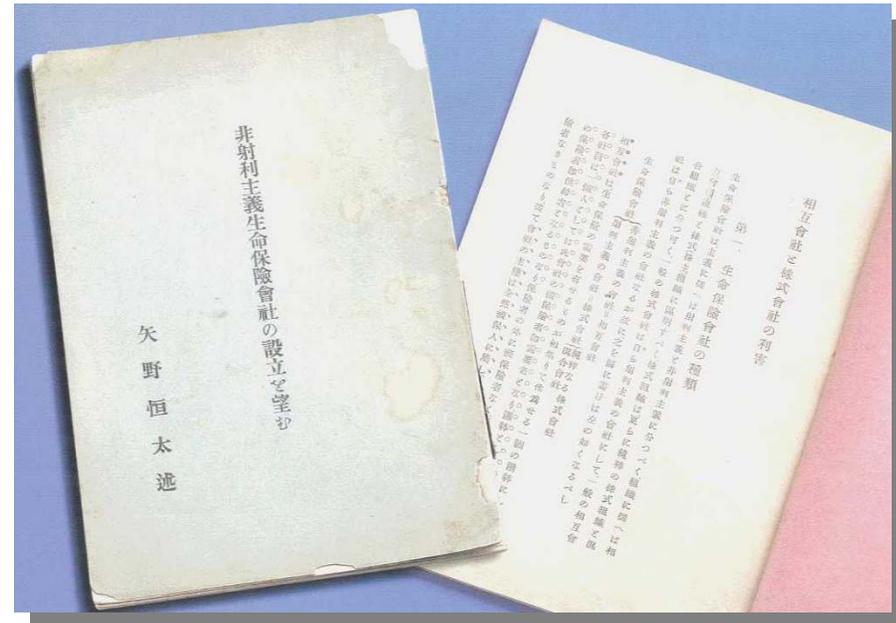
The logo for Dai-ichi Life, featuring the text "DAI-ICHI LIFE" in white, uppercase letters inside a red, rounded rectangular shape with a slight shadow.

DAI-ICHI LIFE

Introduction of Dai-ichi Life

Foundation of Dai-ichi Life

Founded in 1902 as the first mutual life insurer in Japan



“Customer First”



Tsuneta Yano, founder

History

- 1902 Started operations as Japan's first mutual insurance company
- 1932 Established market position with the second largest amount of policies in force in Japan
- 1945 Hibiya head office was taken over by Allied Forces as their GHQ
- 1998 Reached an agreement on full partnership with Industrial Bank of Japan
(Currently Mizuho FG)
- 2000 Comprehensive business alliance with Yasuda Fire and Marine Insurance
(Currently Sompo Japan)
Strategic marketing alliance with AFLAC
- 2006 Established Dai-ichi Frontier Life Insurance Co., Ltd. (started operations in 2007)
- 2007 Established Dai-ichi Life Insurance Company of Vietnam, Ltd.
Business alliance with Resona Holdings
- 2008 Announced planned demutualization and IPO in 1H FY2010
- 2010 Demutualization and IPO implemented

Corporate Structure

The Dai-ichi Life Insurance Company, Ltd.

Dai-ichi Frontier Life Insurance Co., Ltd. (90%) ⁽¹⁾

- Development of individual annuity products sold at banks
- Total assets: ¥1,423 billion

International Affiliates

- Vietnam (2007/1-) : Dai-ichi Life Insurance Company of Vietnam, Limited (100%)
- India (2007/12-): JV with local state-owned banks (26%)
- Thailand (2008/7-): Capital and business alliance with Ocean Life Insurance Company Ltd. (24%)
- Australia (2008/8-): Capital and business alliance with Tower Australia Group Limited (28.6%)

DIAM Co., Ltd. (50%) ⁽¹⁾

- Asset management
- AUM: ¥7,476 billion⁽²⁾

**Life
insurance**

**Asset
management**

⁽¹⁾ Non-consolidated basis, figures are based on 2010/3

⁽²⁾ Sum of assets for both Advisory Account and Trust Funds as of 2009/03

Key Statistics of Dai-ichi Life

Key Figures

- **Premium Income** ⁽¹⁾⁽²⁾⁽³⁾ **¥3,704 billion**
- **Fundamental Profit** ⁽¹⁾⁽⁴⁾ **¥330 billion**
- **Total Assets** ⁽²⁾⁽⁵⁾ **¥32,104 billion**
- **Embedded Value** ⁽²⁾⁽⁵⁾ **¥2,836 billion**
- **Sales Representatives** ⁽⁵⁾⁽⁶⁾ **43,480**
- **Solvency Margin Ratio** ⁽⁵⁾ **953.5%**
- **Insurer Financial Strength Rating**
(S&P / Moody's / Fitch / R&I / JCR) ⁽⁷⁾
A / A1 / A- / A+ / A+

World Ranking in Life & Health Insurance (2009) ⁽⁸⁾

(USD in mn)

Company	Country	Revenues
Japan Post Holdings	Japan	202,196
AXA	France	175,257
Assicurazioni Generali	Italy	126,012
Aviva	UK	92,140
Nippon Life	Japan	72,051
CNP Assurance	France	66,556
China Life	China	57,019
Dai-ichi Life	Japan	57,018
Meiji Yasuda Life	Japan	45,262
Sumitomo Life	Japan	43,780
MetLife	US	41,098

Source: Dai-ichi Life information and disclosure of individual companies

(1) Figures are based on FY2009 (ended March 31, 2010 for domestic companies, ended December 31, 2009 for international companies)

(2) Consolidated basis. Other figures (except for embedded value) are not accounting-based figures and are therefore presented on a non-consolidated basis

Embedded value is shown on a group basis and calculated as follows; [Dai-ichi Life's EEV] plus [Dai-ichi Frontier Life's EEV corresponding to Dai-ichi Life's equity stake in Dai-ichi Frontier Life] less [the carrying amount of Dai-ichi Life's equity of Dai-ichi Frontier Life]

(3) Premium income represents premium and other income

(4) Fundamental profit represents underwriting profit from insurance businesses and excludes capital gains / losses

(5) As of March 31, 2010

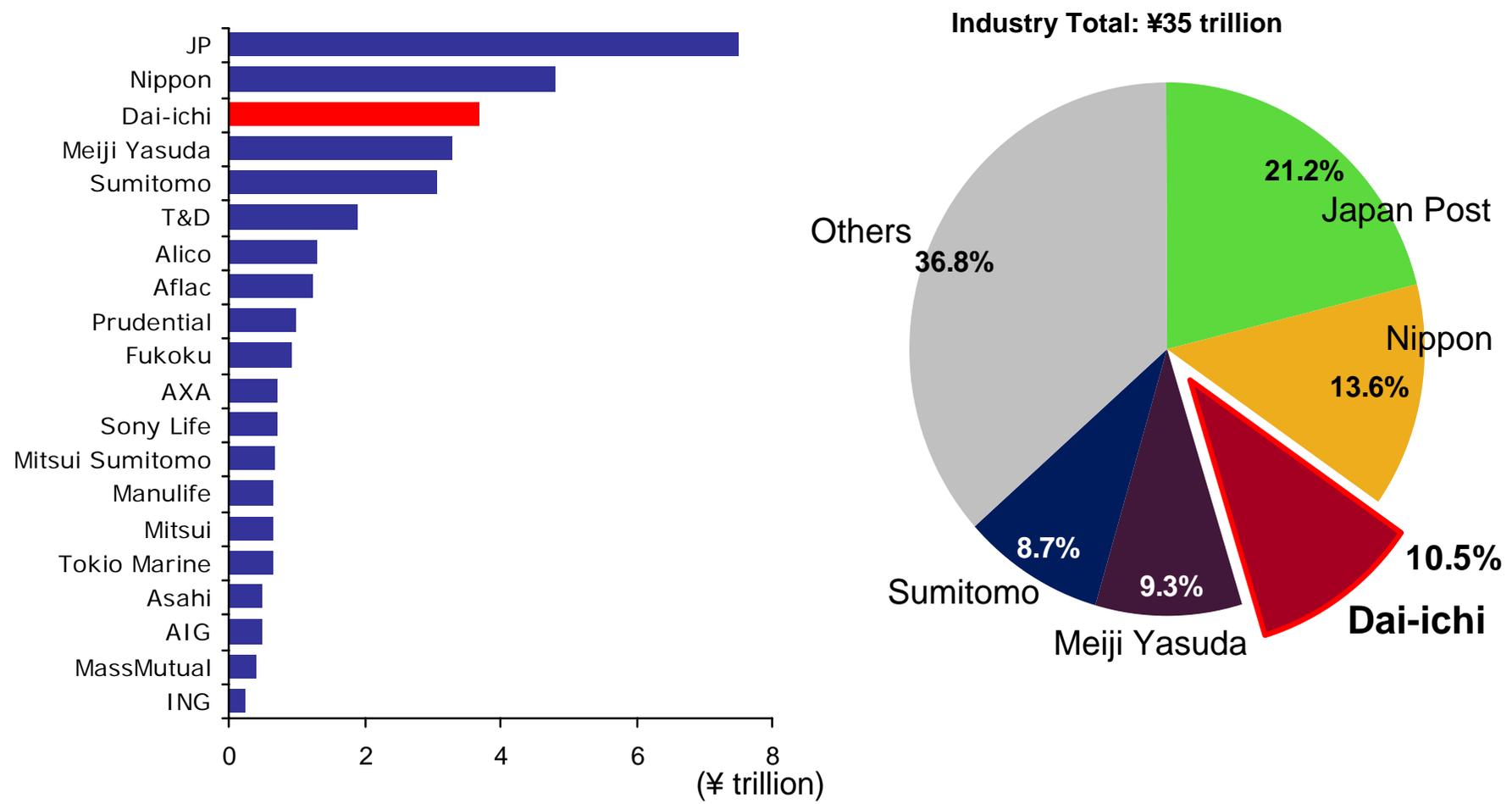
(6) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and who are engaged mainly in ancillary work. The number of such persons was 745 as of December 31, 2009

(7) Current ratings

(8) Source: Fortune, July 26, 2010

Dai-ichi's Market Position

Premium Income for Japanese Life Insurers (1)(2) (FY2009)



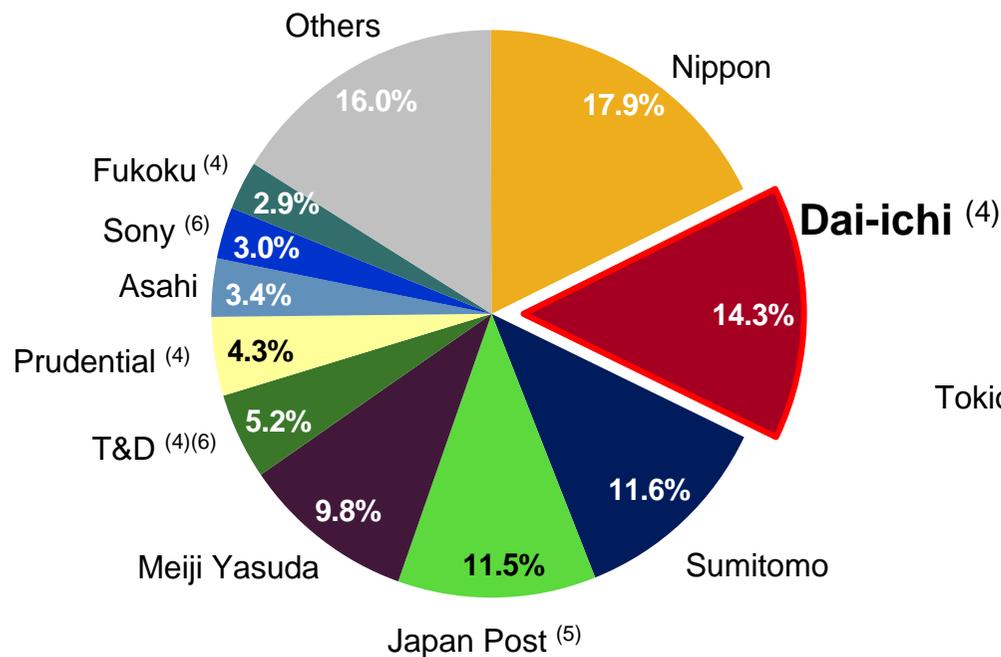
Source: Dai-ichi Life information and disclosure of individual companies

(1) Premium income represents premium and other income.

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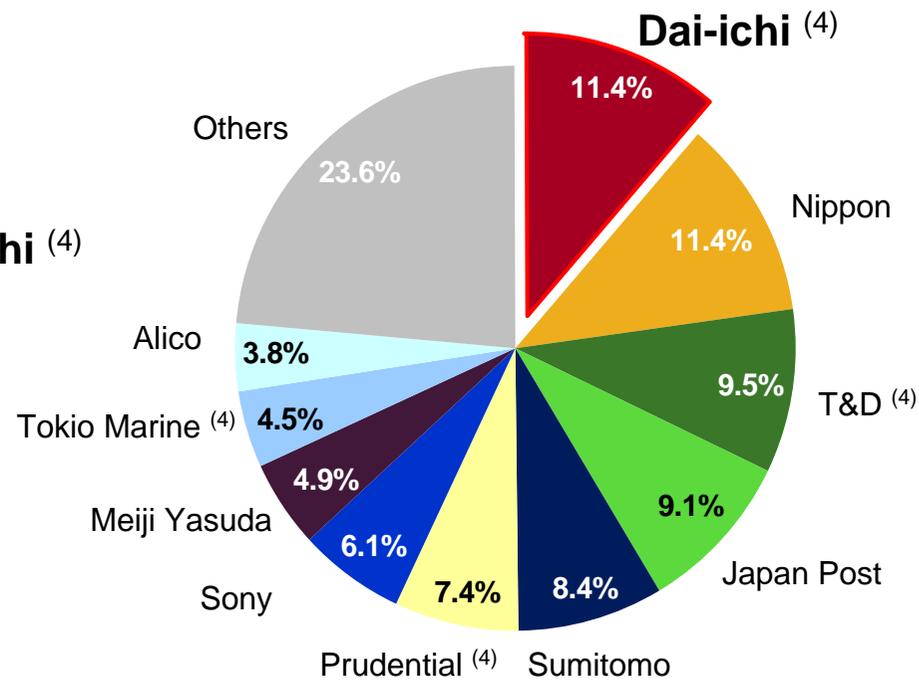
Dai-ichi's Market Position

**Market Share of Policies in Force
(Mar. 31, 2010) ⁽¹⁾⁽²⁾⁽³⁾**



Industry total: ¥ 1,111 trillion

**Market Share of New Business
(FY2009) ⁽¹⁾⁽²⁾⁽³⁾**



Industry total: ¥ 66.8 trillion

Source: Company disclosure of individual companies

(1) Non-consolidated basis

(2) Sum insured, individual insurance and individual annuities

(3) Total of 46 life insurance companies

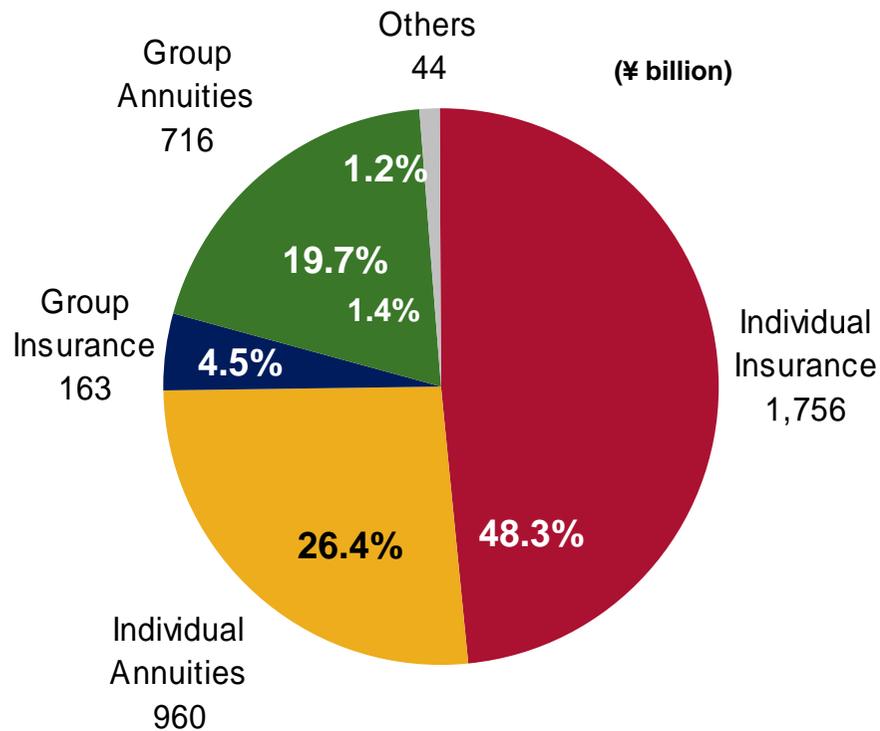
(4) Dai-ichi represents the sum of Dai-ichi Life and Dai-ichi Frontier Life; T&D represents the sum of Daido Life, Taiyo Life and T&D Financial Life; Prudential represents the sum of Prudential Life, Gibraltar Life and Prudential Gibraltar Financial Life; Fukoku represents the sum of Fukoku Life and Fukokushinrai Life; Tokio Marine represents the sum of Tokio Marine & Nichido Life and Tokio Marine & Nichido Financial Life

(5) Japan Post's policies in force calculated as the sum of reinsurance underwritten and policies in force

Business Mix and Distribution Channel Mix

Business Mix

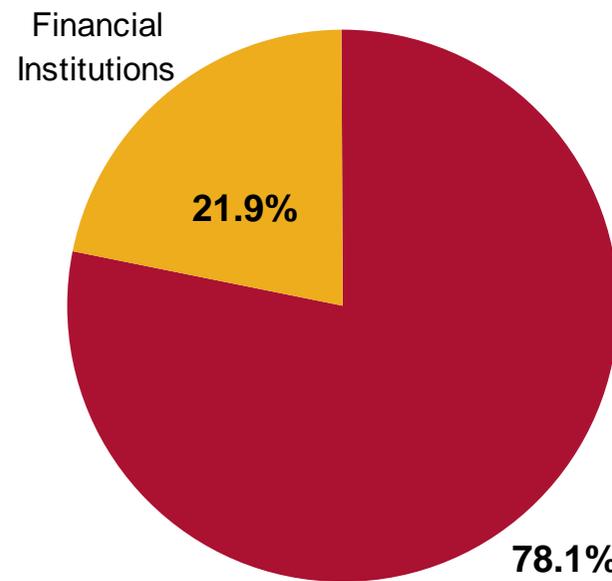
Insurance Premiums by Product Line (FY2009) ⁽¹⁾



Total: ¥3,640 billion

Distribution Channel Mix

Insurance Premiums by Channel (FY2009) ⁽¹⁾



Sales Representatives, Others

Total: ¥3,640 billion

Source: Dai-ichi Life information
 (1) Sum of Dai-ichi Life and Dai-ichi Frontier Life
 (2) Individual insurance and individual annuities

Dai-ichi's Strategies and Initiatives

Changes in Customers' Needs

Decreasing population and changing demographic structure

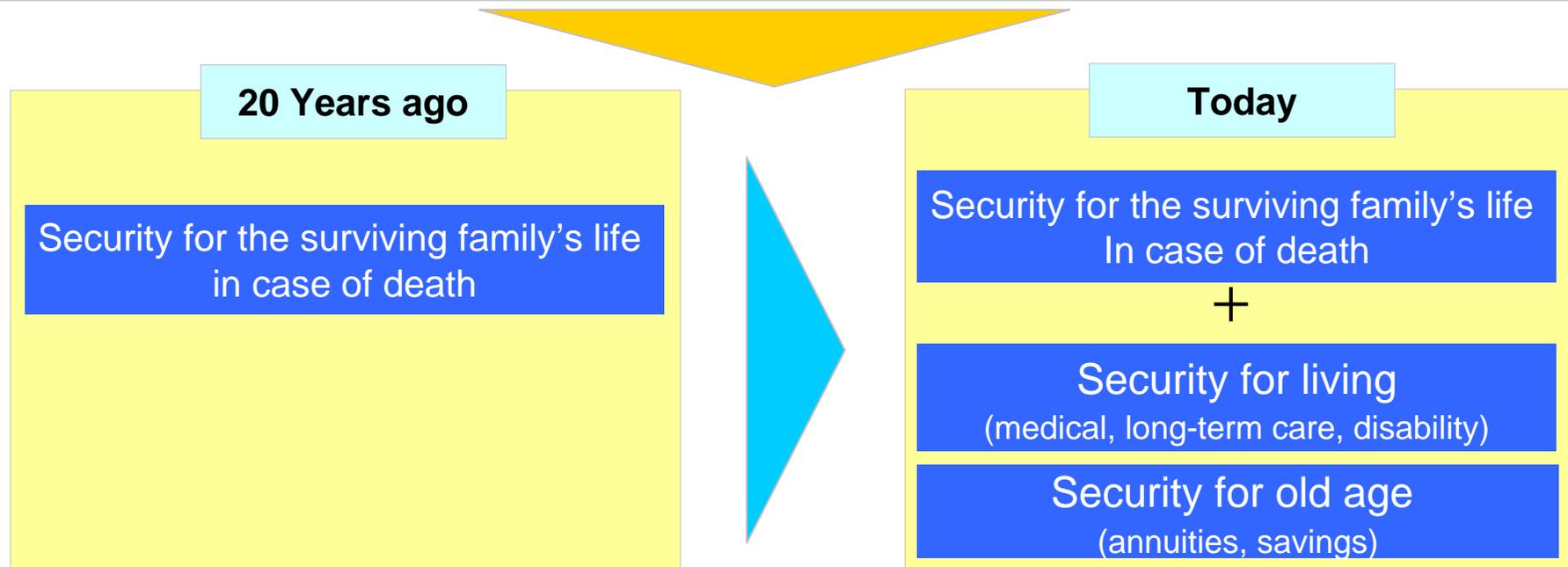
(Declining birthrate and aging of society, etc.)

Diversifying customers' lifestyles and needs

(Retirement of the baby boom generation, increase of unmarried people, women's participation in society, etc.)

Further trimming of the social security system

(Necessity of self-help efforts / Increasing uncertainty of the public)



The Concept of “Total Life Plan”

“Total Life Plan”

“Personal Life Planning”: Savings? Investment?

Need to Reduce the Danger from a Variety of Risks

Four risks jeopardizing the “value of a human life”

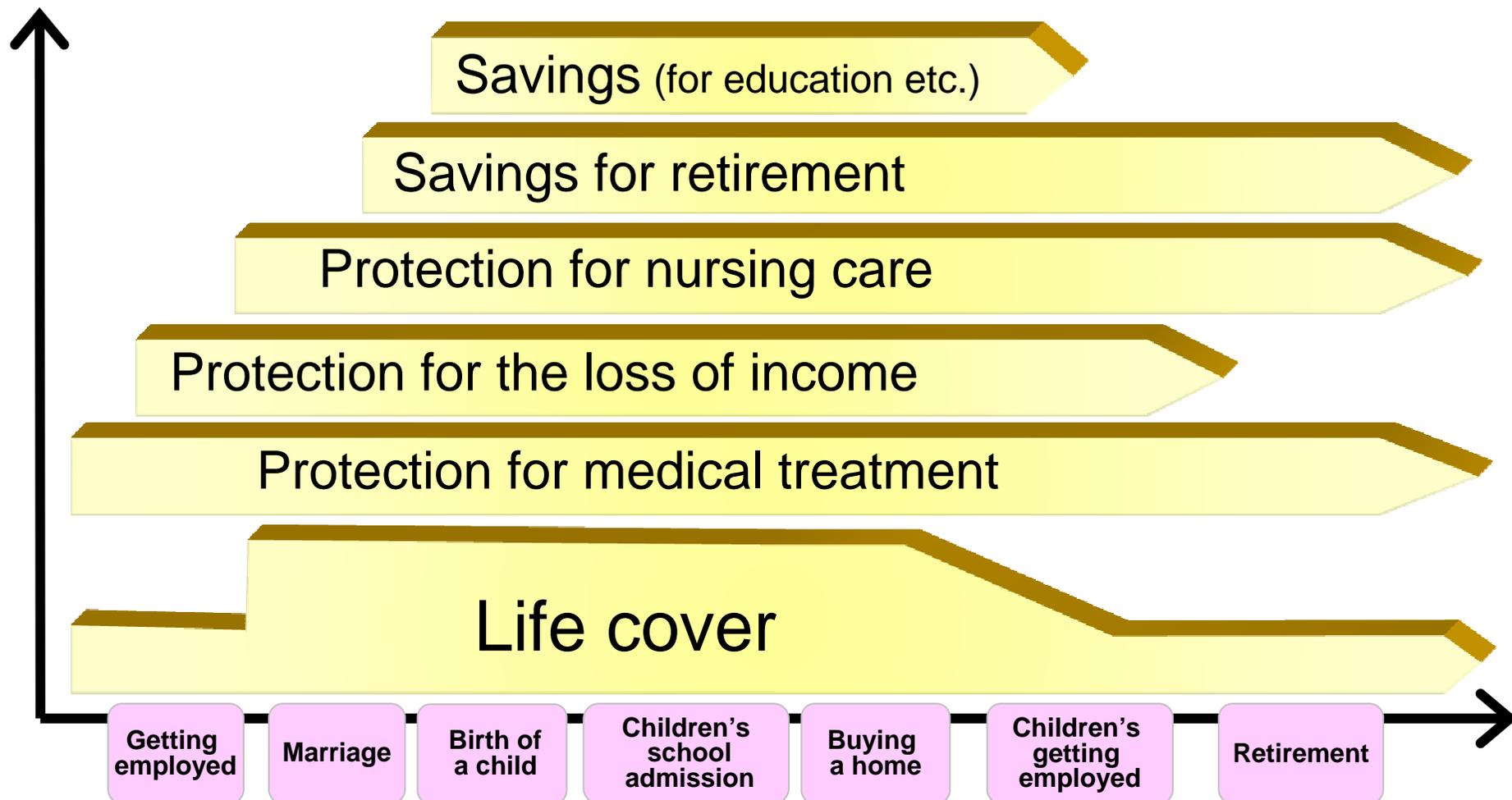
(Dr. S. Huebner)

- (1) Death
- (2) Long-term disability
- (3) Illness and accidents
- (4) Long life

People cannot build up financial assets sufficient to cover any eventuality (except for the very rich...)

Value of the mutual aid mechanism of life insurance

“Total Life Plan”



“Total Life Plan”: to determine the risks for life and to give advice based on personal life planning

Innovations as a Product Provider

Innovation in Product Development

Waiver of Premium Rider (2001-)

No need to pay
premiums under
certain conditions

Income Support Rider (2004-)

Living benefit paid
every year

Provides support for a decline in income in case of severe conditions such as the three critical illnesses (cancer, heart attack, stroke)

Support for Women Rider

Launched in response to women's specific needs

- Benefits for mastectomies, hysterectomies, etc.
- Benefits to cover the costs for breast reconstruction

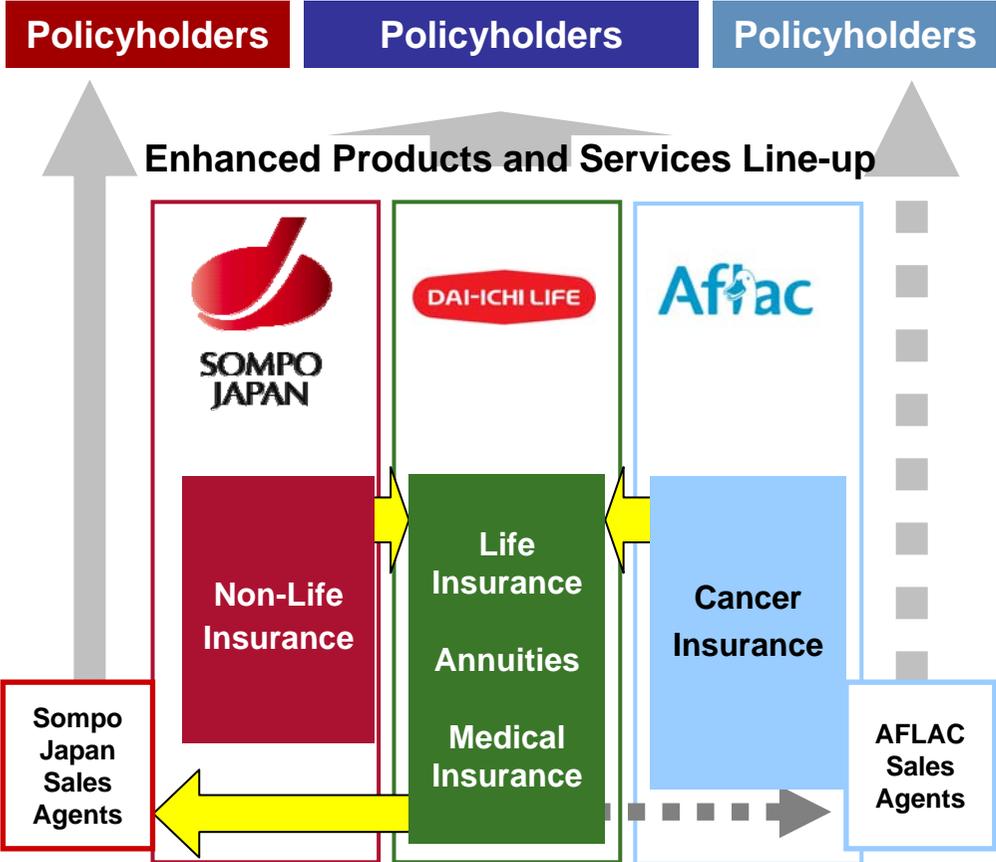
Hospitalization Benefit Riders

Relaunched in response to the trends in medical care

- Standard rider: Shortened the maximum number of days of hospitalization and lowered the rider premiums
- Additional rider for lifestyle diseases: Broadened the coverage of lifestyle diseases from 5 to 8

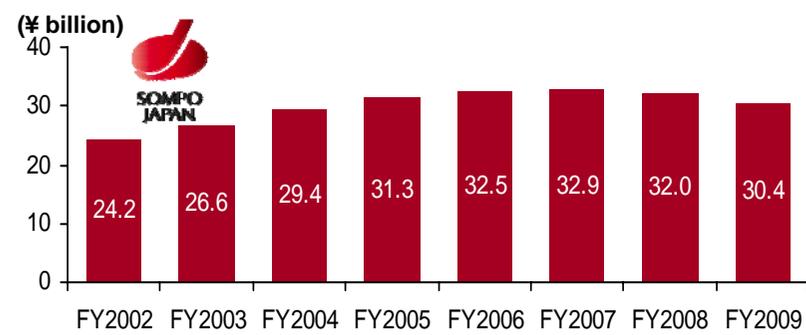
Strategic Alliances with Sompo Japan and AFLAC

Strategic Business Alliances

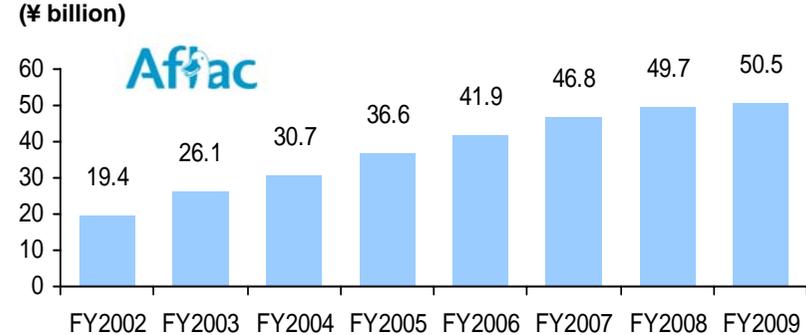


Source: Dai-ichi Life information

Non-Life Insurance Sales (Annual premiums from new business)

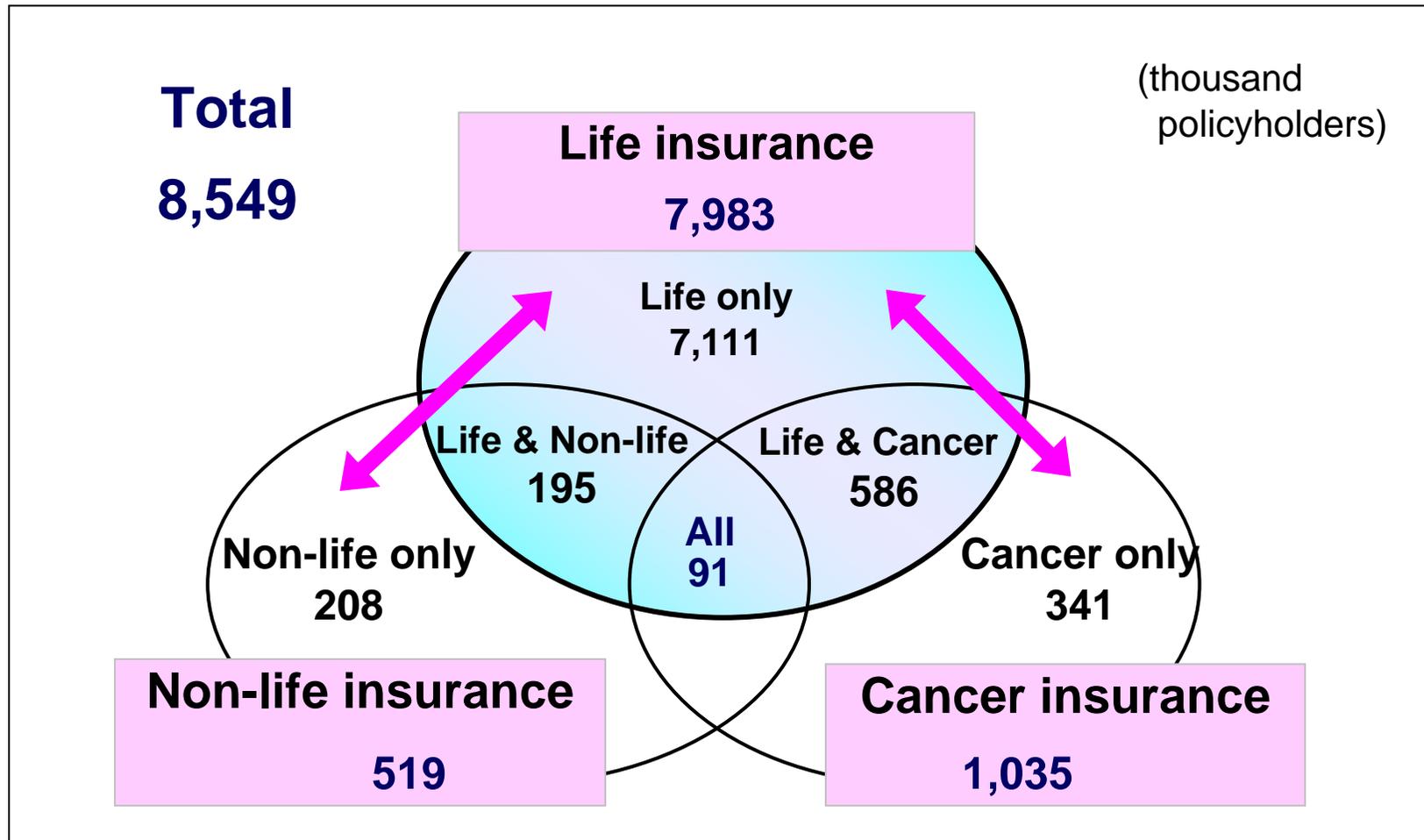


Cancer Insurance Sales (Annual premiums from policies in force)



Strategic Alliances with Sompo Japan and AFLAC

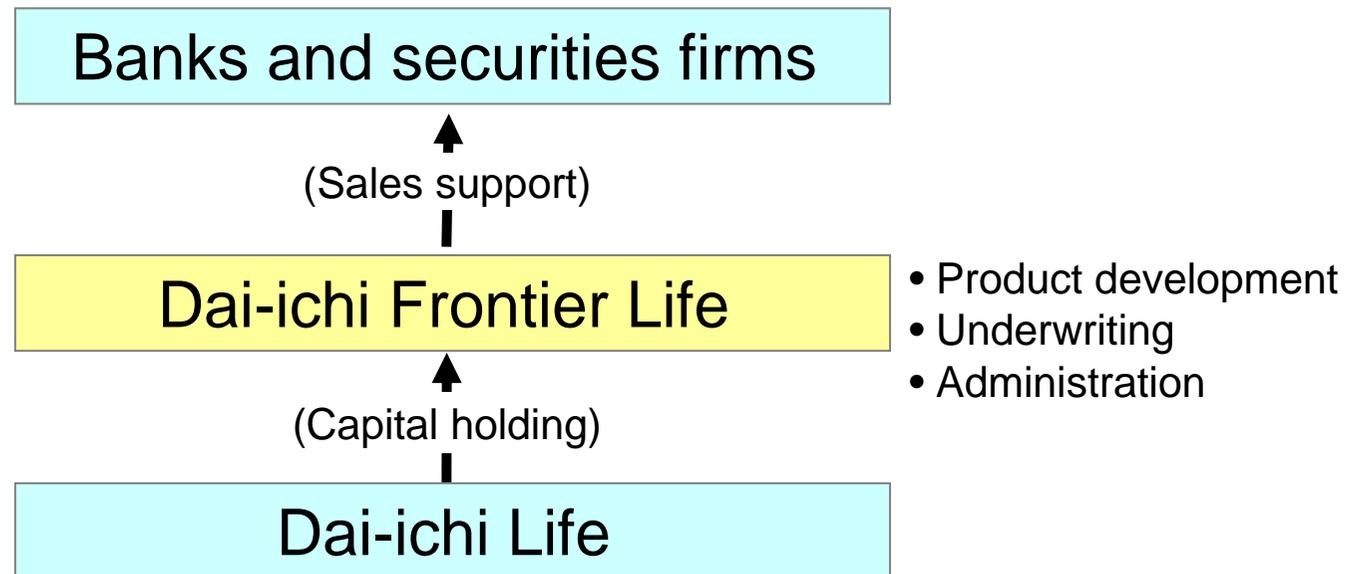
The Breakdown of Dai-ichi Life's Customers



Establishment of Dai-ichi Frontier Life

Company Overview of Dai-ichi Frontier Life

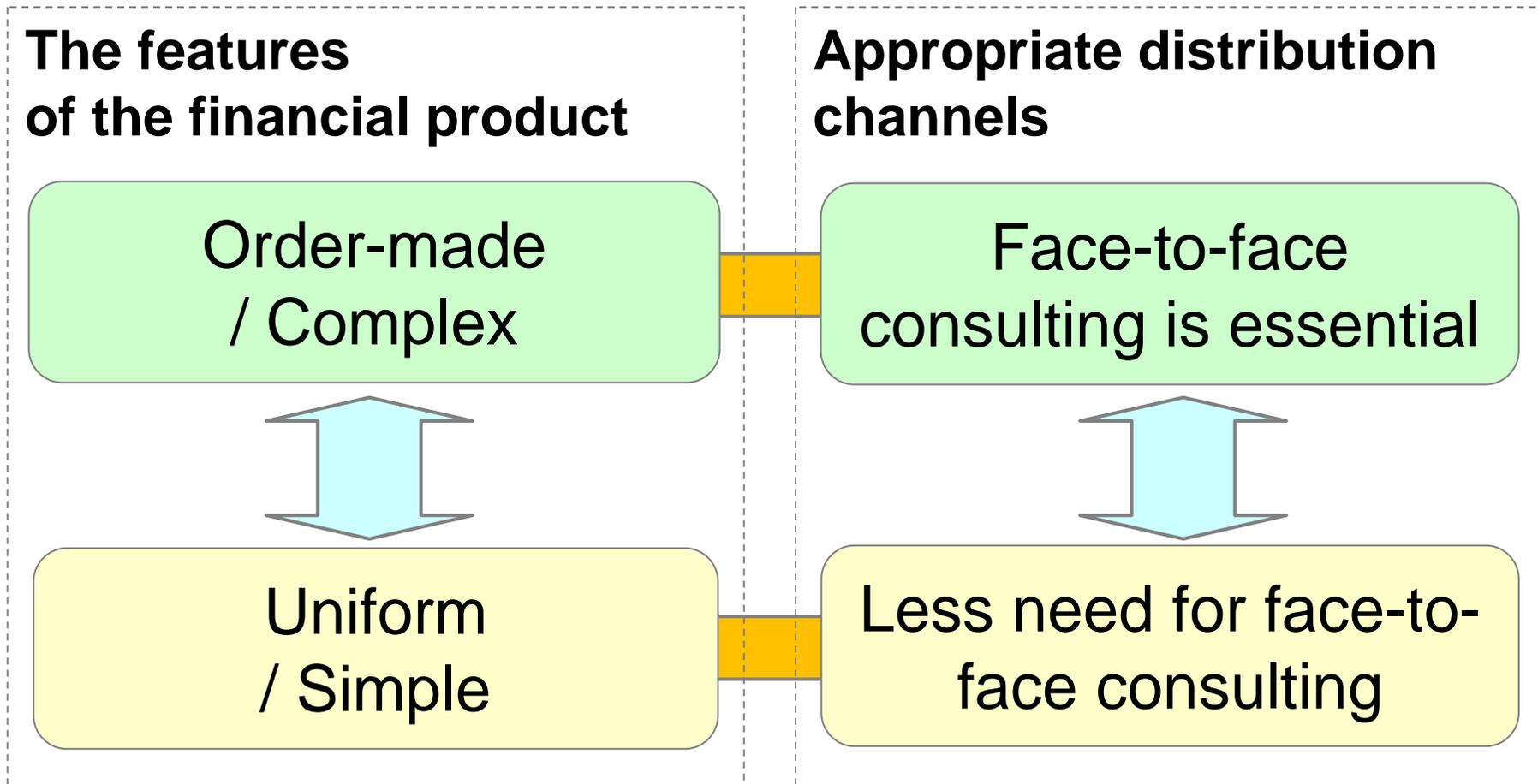
- Established: December 1, 2006
- Capital: 185.0 billion yen (incl. reserve capital of 67.5 billion yen)
- Shareholders: Dai-ichi Life Insurance Company, Limited (90.0%),
Sompo Japan Insurance Inc. (10.0%)
- Start of operations: October 1, 2007
- Products: Individual annuities (variable and fixed)



Initiatives in Distribution Channels

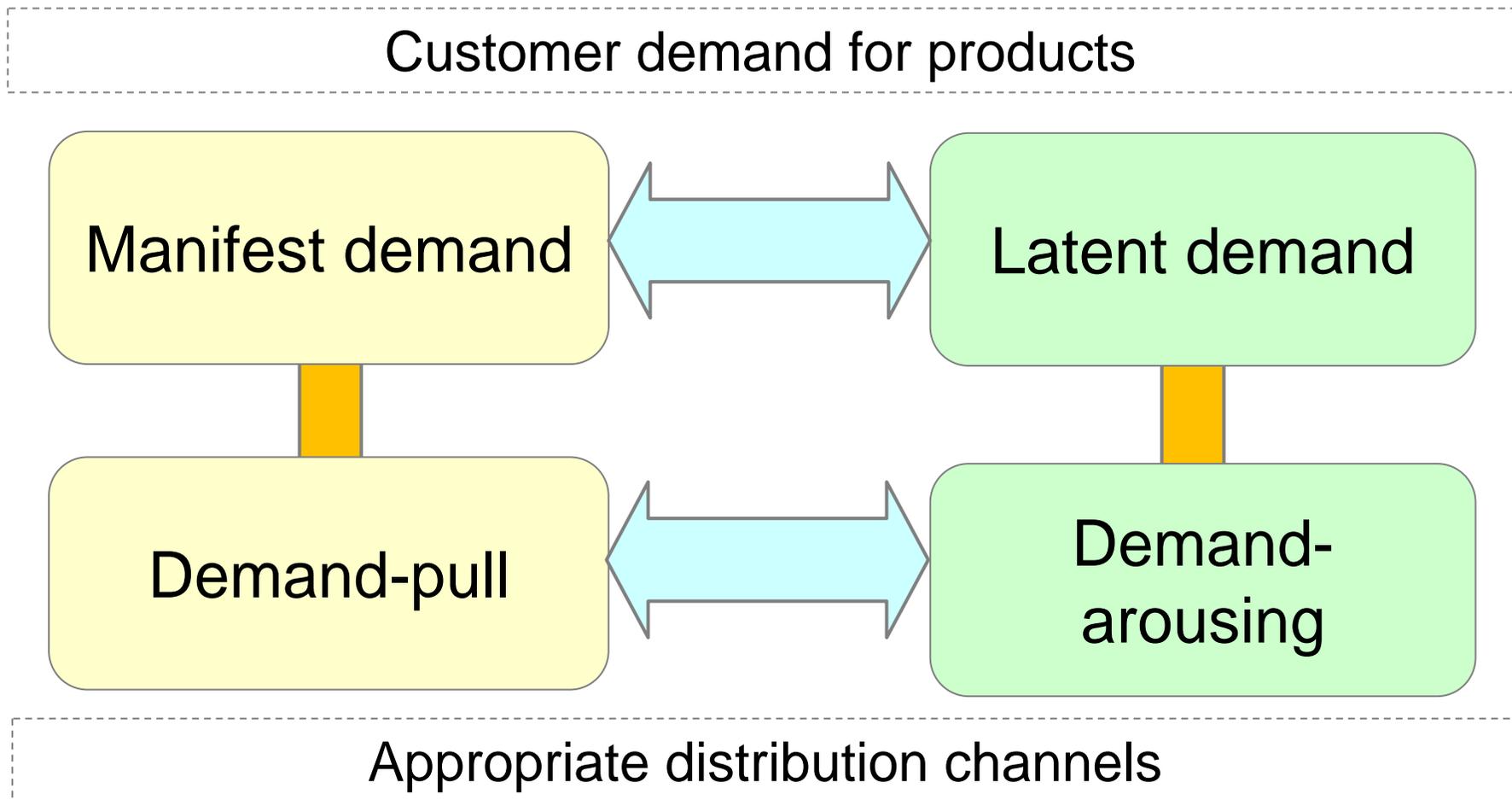
Retail Financial Products and Distribution Channels

The features of financial products and the appropriate distribution channels

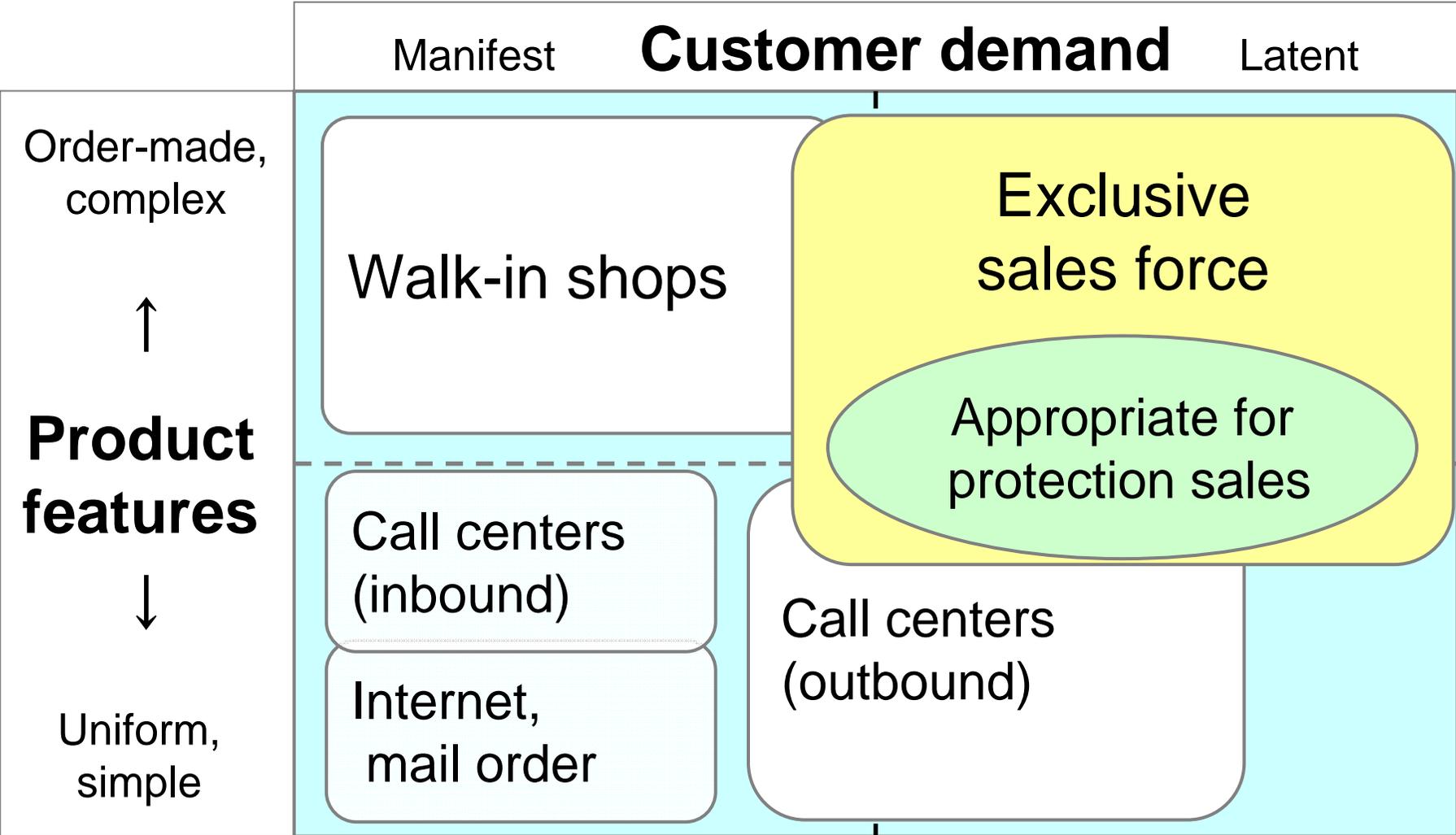


Retail Financial Products and Distribution Channels

The features of financial products and the appropriate distribution channels



Retail Financial Products and Distribution Channels



Face-to-Face Consulting and Regular Contacts

The nature of life insurance:
Customers' demand is latent



Our mission: To make customers realize the need for coverage against risks, by reviewing their long-term personal financial plans

Face-to-face
consulting is
essential

Periodic checks
are essential

Face-to-Face Consulting and Regular Contacts

Customers' feedback from the company's survey

- Satisfactory frequency of visits by sales reps
“Twice or more times a year” : About 70%

- Information and services that customers desire
“Information about policy contents”: About 70%

A program of regular calls on all policyholders (first in the industry)

The Size of Sales Force to Serve Our Policyholders

Dai-ichi's policyholders: About 8 million



Our sales reps: About 40,000
(Approx. one sales rep per 200 customers)

Initiatives to Further Improve the Quality of Our Sales Force

Major indicators of distribution channel quality

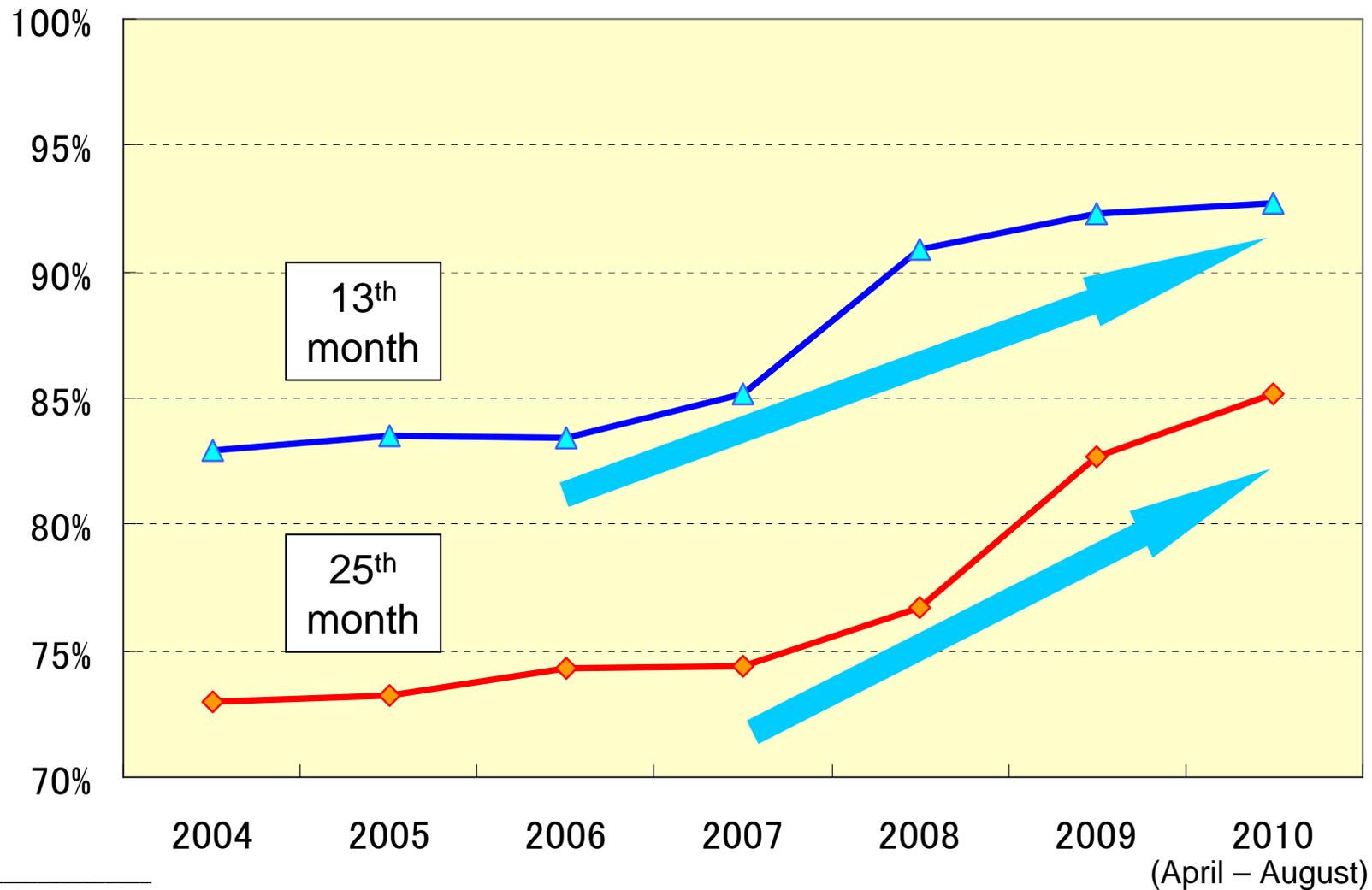
Persistency rate
of policies

Retention rate of
sales reps

- ◆ Introducing persistency-linked allowances
- ◆ Providing incentives for receiving claims
- ◆ The program of regular visits to all customers
- ◆ Sales target: Down 10% from the previous year

Initiatives to Further Improve the Quality of Our Sales Force

Persistency rates at the 13th and 25th month



Source: Dai-ichi Life information

Initiatives to Further Improve the Quality of Our Sales Force

Major indicators of distribution channel quality

Persistency rate
of policies

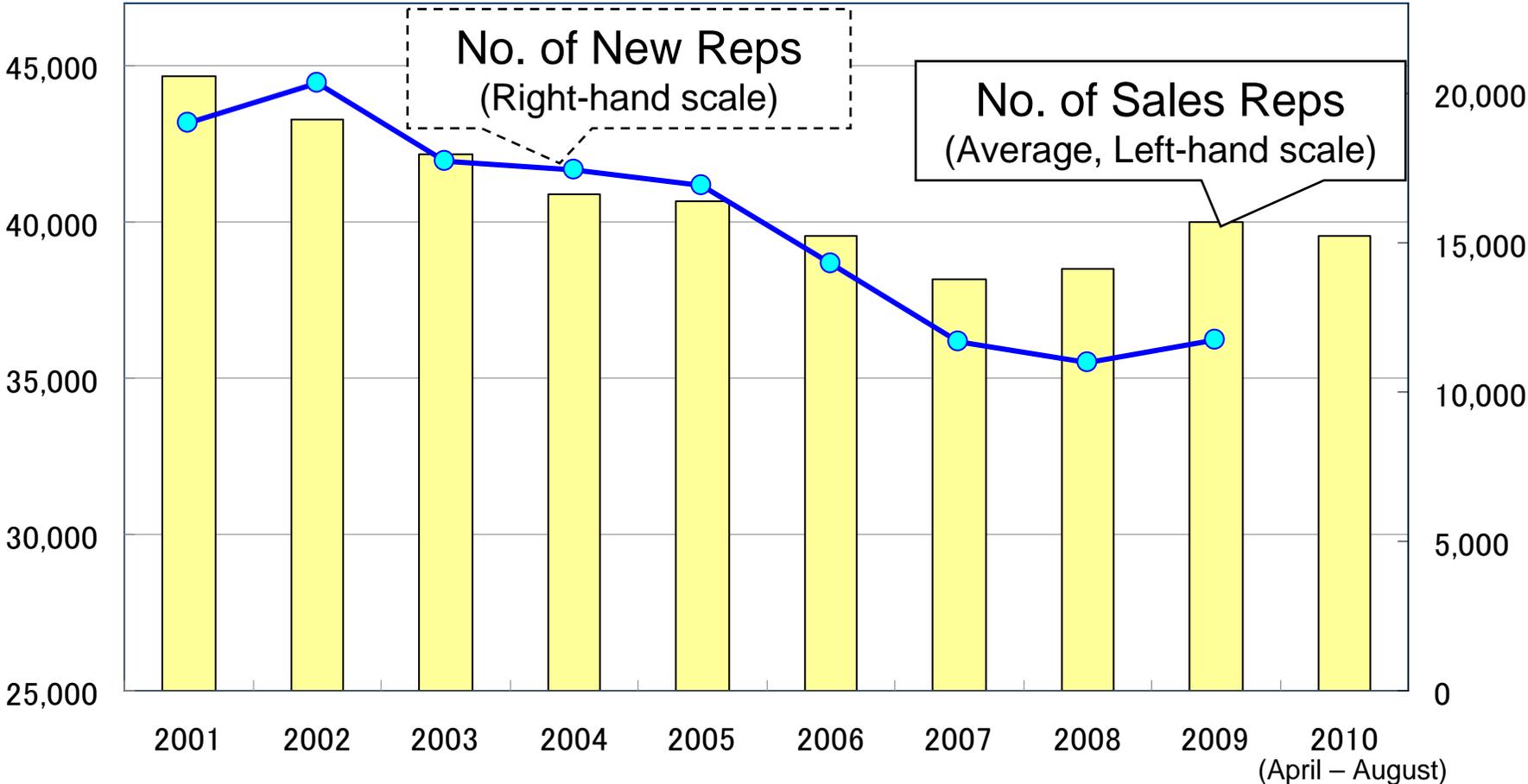
Retention rate of
sales reps

- ◆ Focusing more on qualification and reducing the number of new reps from 20,000 to 10,000 a year
- ◆ The size of the training staff unchanged

Greater attention to the new reps' training

Initiatives to Further Improve the Quality of Our Sales Force

Number of New Reps and Total Sales Reps



Retention rate has improved



The size of the sales force has stabilized

Source: Dai-ichi Life information

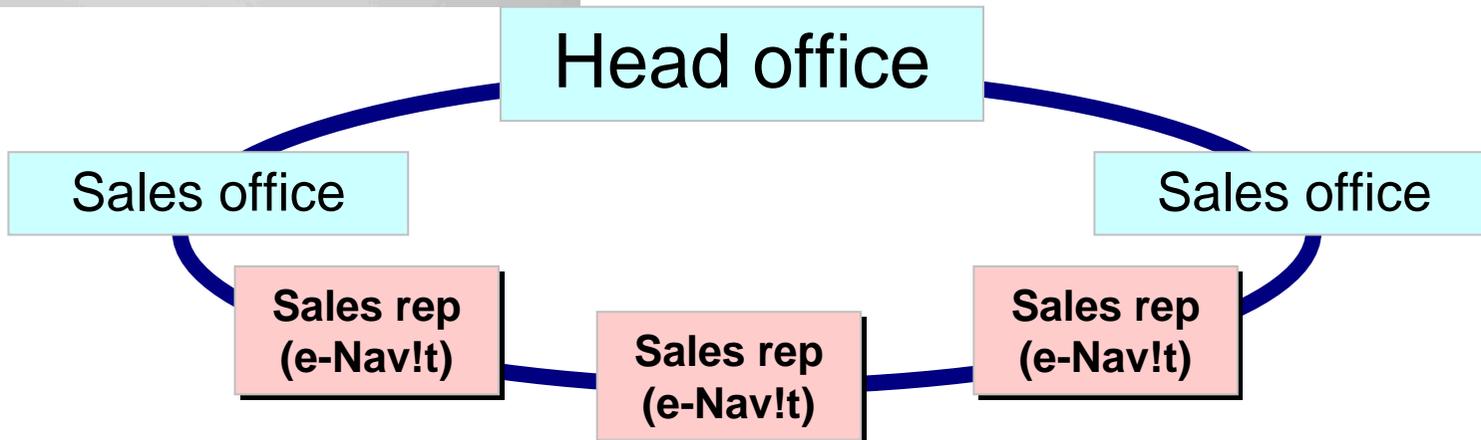
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Enhancement of Advice Capability with Mobile PC “e-Navit”



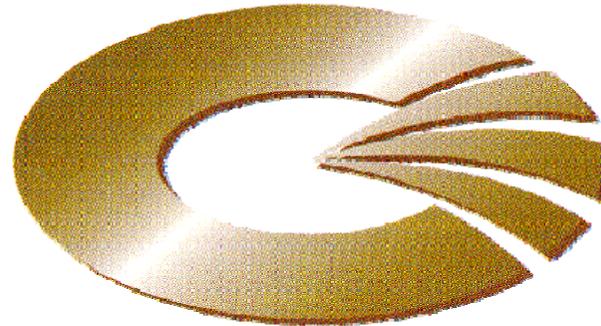
Innovations in sales process

Strong privacy protection



Quality of Management, Products and Services

Japan Quality Award



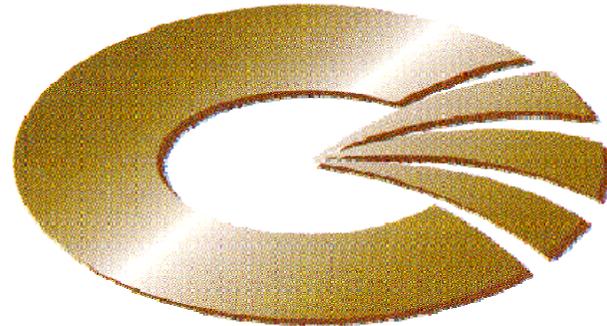
*Japan Quality Award
2001 Winner*

- Award for corporations with “remarkable management system”
- Modeled on “Malcolm Baldrige National Quality Award” in the U.S.

(The concept of the Award)



Japan Quality Award



*Japan Quality Award
2001 Winner*

- First winner in the financial and insurance sector
- Self-innovation program for realization of “Total Life Plan” and its complete implementation were appraised.

Further Improvement of the Quality of Products and Services

Life Insurance Policy

Advice/
Application

Throughout
the policy term

Benefit payment

Providing high quality products and services
at each stage of life insurance

“Customer First” Philosophy (1902)

“Declaration of Quality Assurance” (2006)

Demutualization and Stock Market Listing

Implementation of “Declaration of Quality Assurance”
based on the “Customer First” Principle

Sustainable growth is essential

Demutualization for more flexible strategies

More proactive investments in growth markets

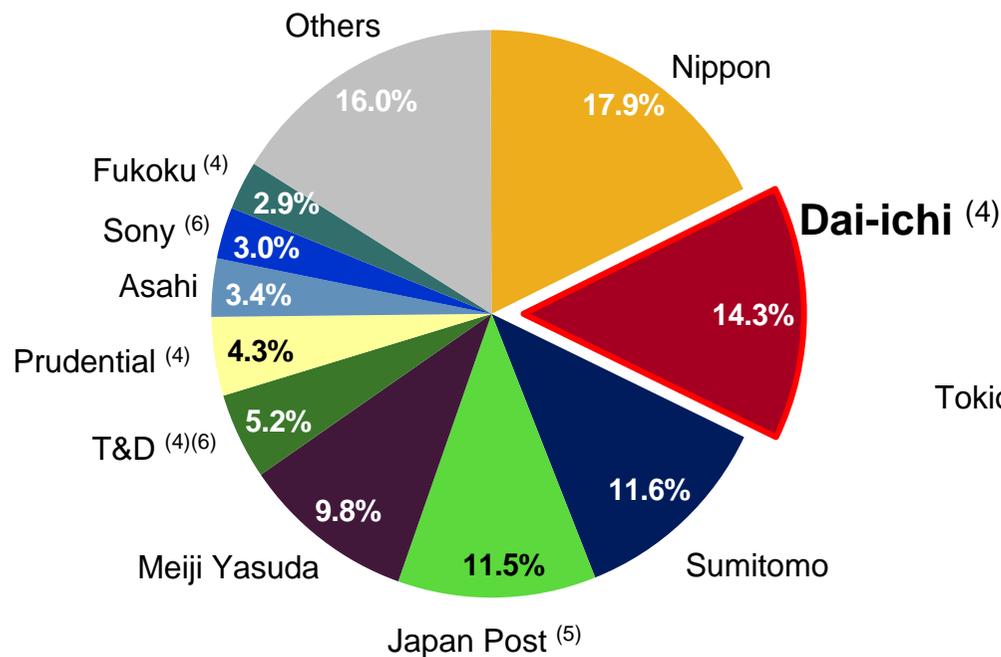
More flexible strategies
(such as M&A and reorganization)

Management transparency based on market principles

Major Achievements

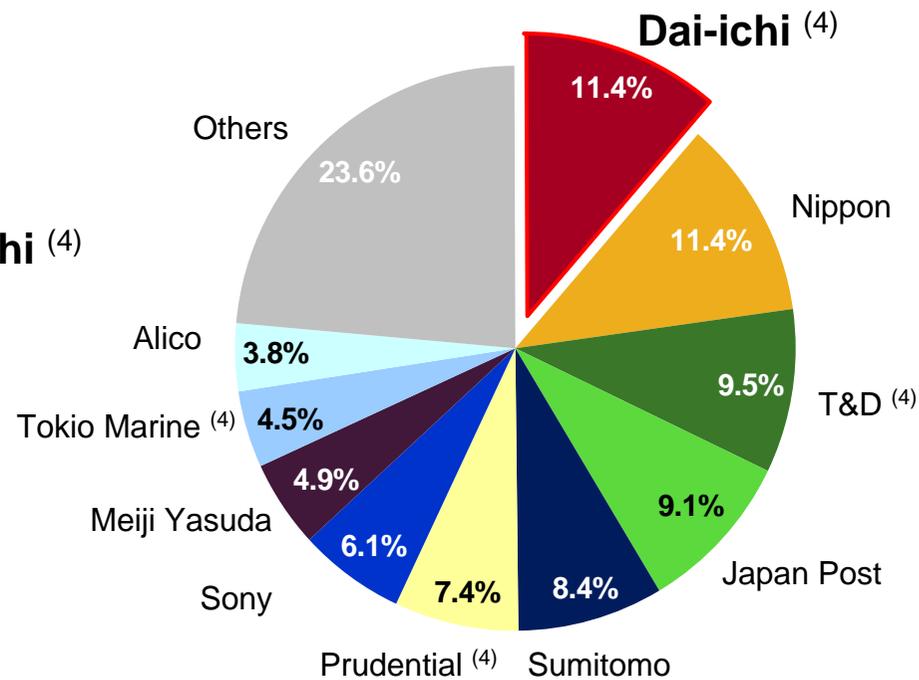
Dai-ichi's Market Position (FY2009)

Market Share of Policies in Force
(Mar. 31, 2010) ⁽¹⁾⁽²⁾⁽³⁾



Industry total: ¥ 1,111 trillion

Market Share of New Business
(FY2009) ⁽¹⁾⁽²⁾⁽³⁾



Industry total: ¥ 66.8 trillion

Source: Company disclosure of individual companies

(1) Non-consolidated basis

(2) Sum insured, individual insurance and individual annuities

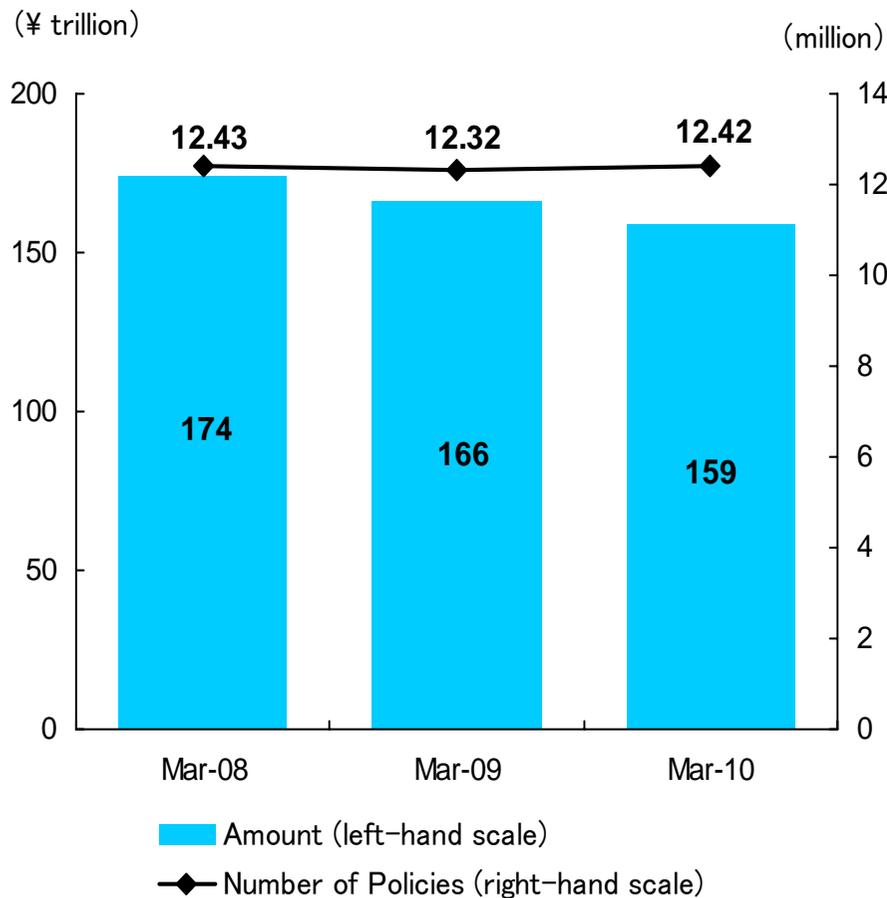
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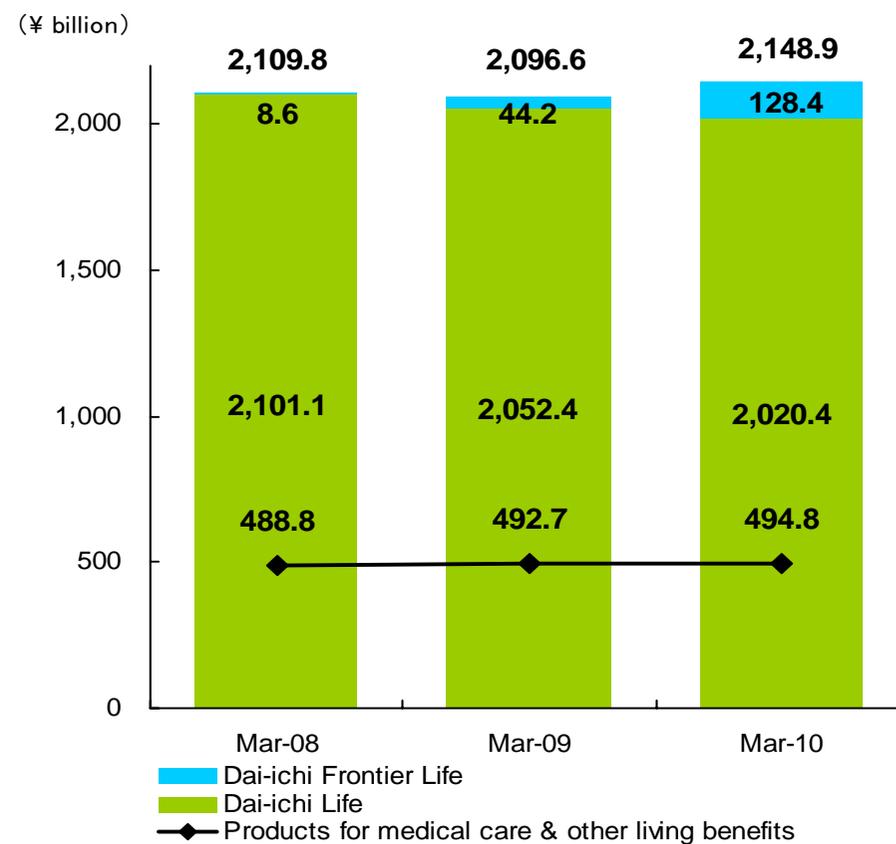
(5) Japan Post's policies in force calculated as the sum of reinsurance underwritten and policies in force

Policies in Force (Retail Business)

Policies in Force⁽¹⁾



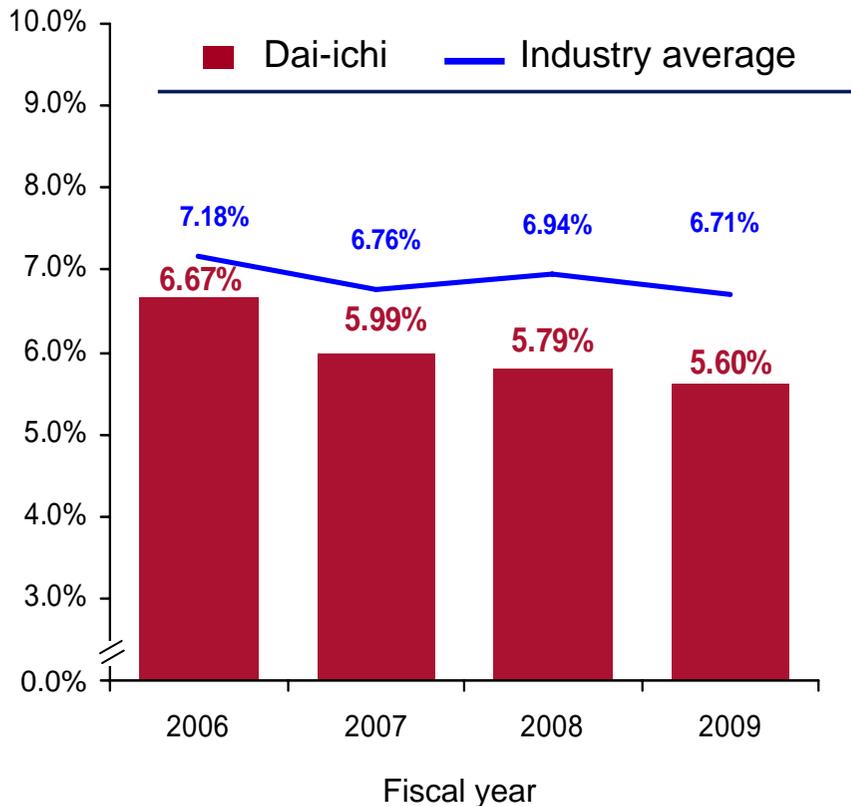
Annualized Premiums⁽¹⁾



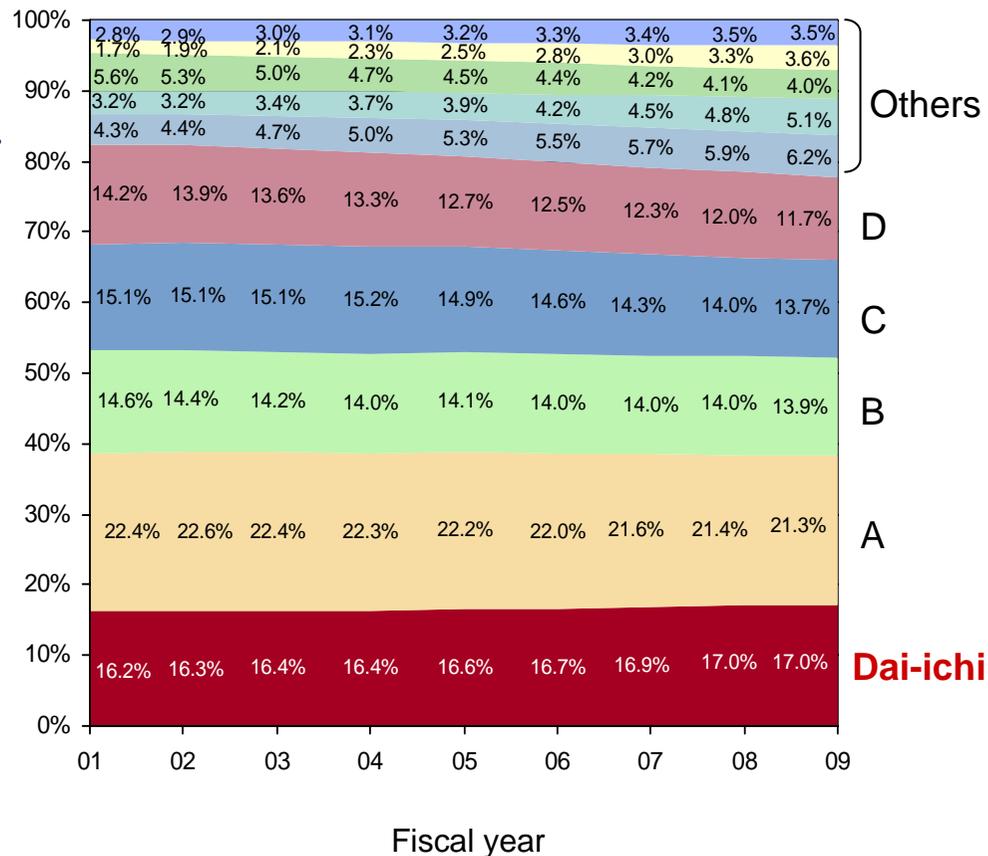
Source: Dai-ichi Life information
 (1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

Market Share Among 10 Major Life Insurers

Surrender and Lapse Rate ⁽¹⁾ (FY2006 ~ FY2009)



Market Share Among 10 Major Life Insurers ⁽²⁾⁽³⁾ (FY2001 ~ FY2009)



Source: Company disclosure of individual companies, The Life Insurance Association of Japan, Summary of Life Insurance Business in Japan (Annual)

(1) Non-consolidated basis. The amount of Japan Post Insurance is not included in the annual industry average

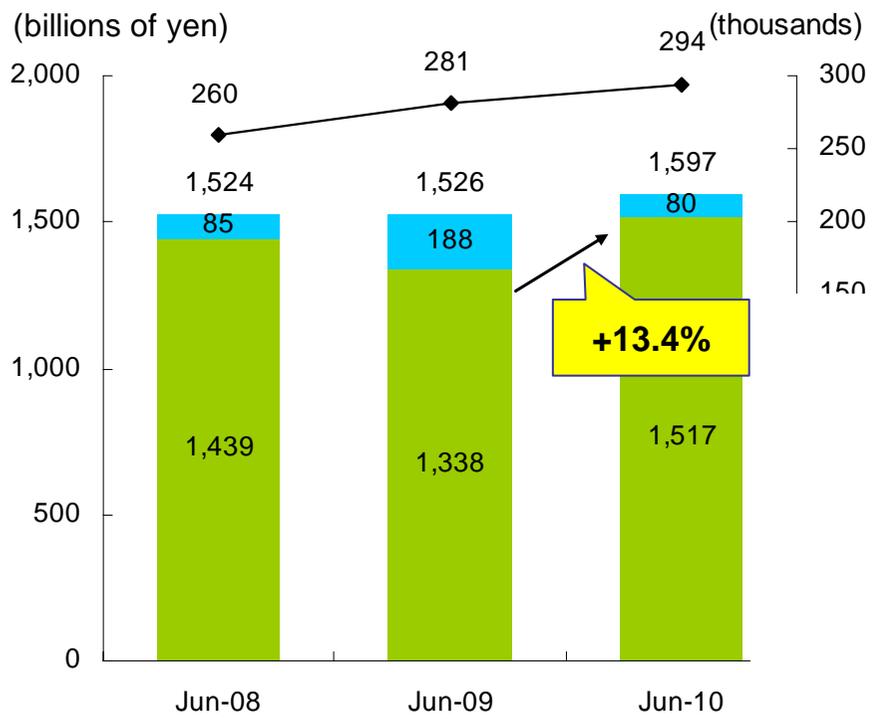
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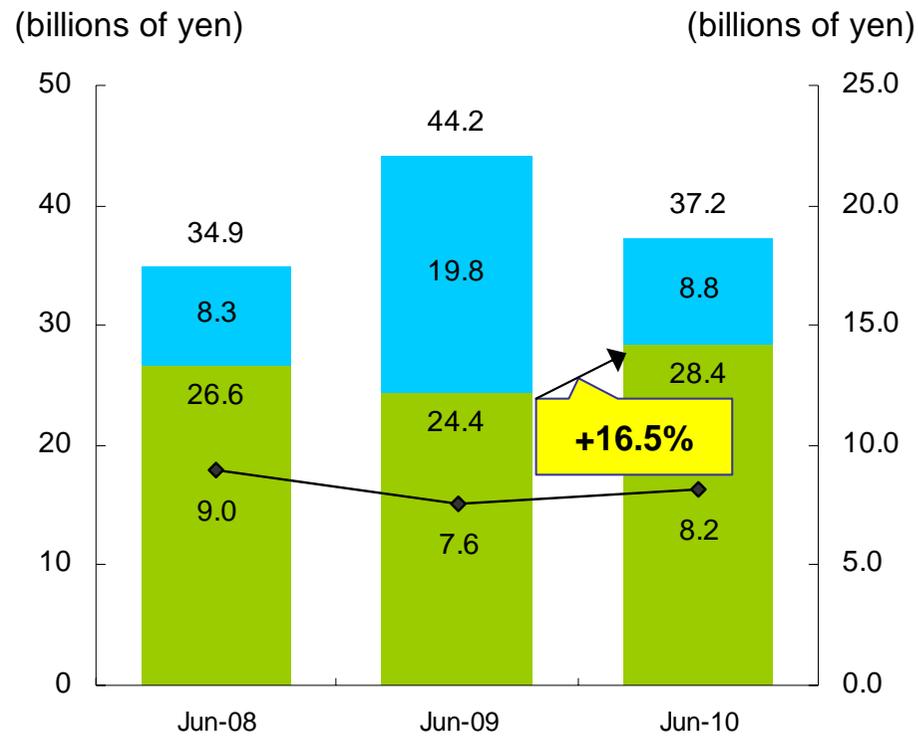
New Business (Retail Business)

New Business Amount Insured⁽¹⁾



- Dai-ichi Frontier Life
- Dai-ichi Life
- ◆— Number of policies (right-hand scale)

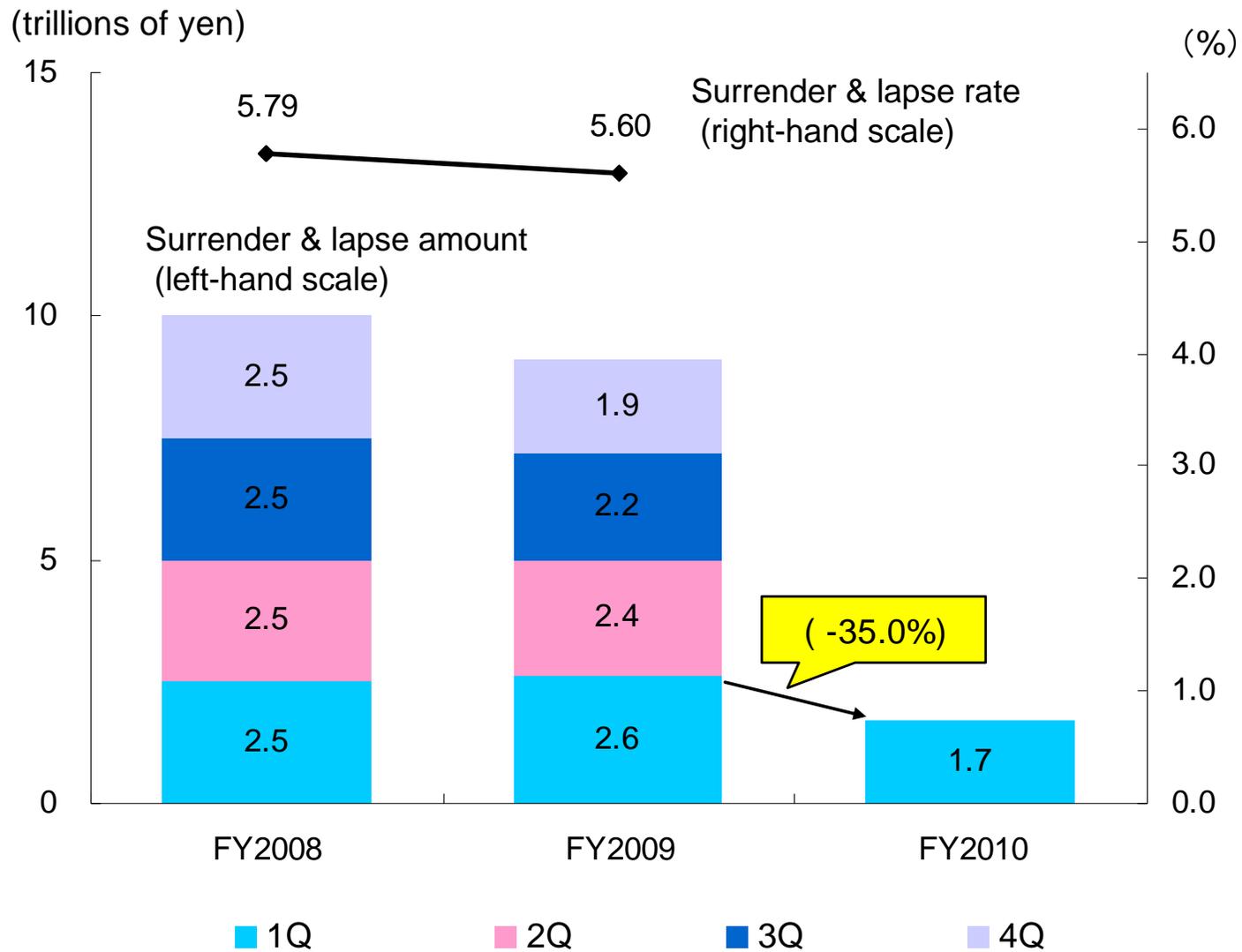
Annualized Premiums from New Business⁽¹⁾



- Dai-ichi Frontier Life
- Dai-ichi Life
- ◆— Products for medical care & other living benefits (right-hand scale)

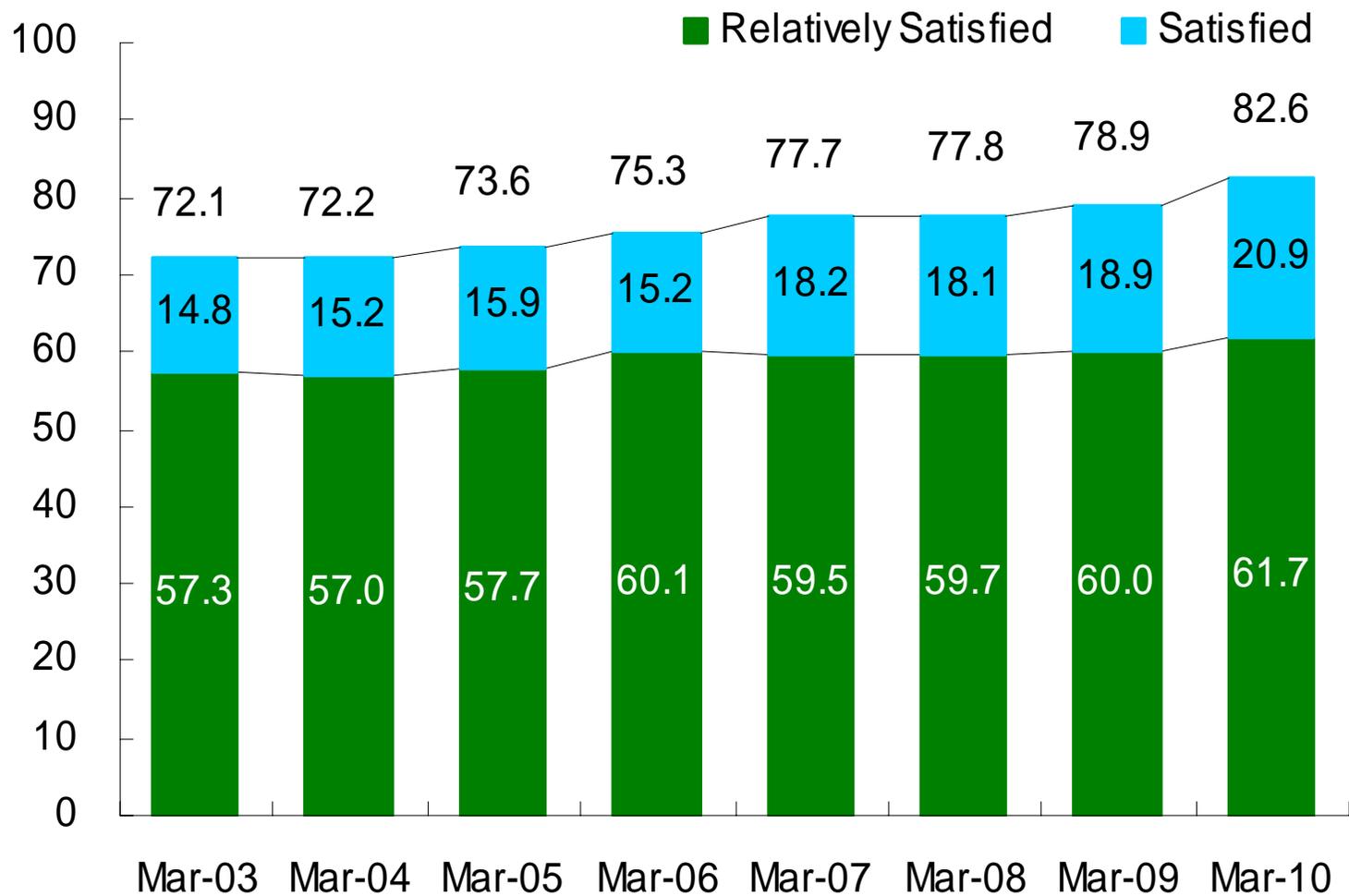
Source: Dai-ichi Life information
 (1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

Surrenders and Lapses ⁽¹⁾



Source: Dai-ichi Life information
 (1) Non-consolidated basis

Customer Satisfaction Survey



Has improved from year to year

Looking Forward

Growing role of the life insurance industry to supplement the social security system

Diversification of products and distribution channels reflecting the diversification of customers' lifestyles and needs

- ◇ Shrinking of the market for traditional life insurance (death cover)
- ◇ Expansion of the markets for “living” coverage (medical, annuities, etc.)
- ◇ Diversification of distribution channels
(banks and securities firms, insurance shops, online sales, etc.)

Intensifying competition within the industry and with other industries

Medium-term Management Plan

Management Policies for Fiscal 2010

I. Build a foundation for future growth through “Quality Assurance” and productivity improvement

1. “Quality Assurance” and productivity improvement
 - (1) Reshaping our core business
 - (2) Initiatives for growth
2. Pursuing external growth.

II. Enhance financial soundness and capital efficiency

III. Establish a prudent governance system as a publicly traded company

IV. Invest in human capital to form building blocks for growth

Fiscal 2010 will mark our “second foundation” as well as the final “Value Up” year under our medium-term management plan.

Dai-ichi Life's DNA

“Customer First” = Dai-ichi Life's DNA

Enhancing the satisfaction of all stakeholders

Public
responsibility

Customer focus

Employee
oriented

Sustainable growth

Thinking People First

Individual lifestyles will continue to diversify in the future.

To propose, in a way that is easy to understand, quality products and services tailored to these diversified lifestyles, Dai-ichi Life aims to become a company that thinks about people first.

Thinking people: means taking action based on sincere consideration for people and everything that surrounds their lives.

Thinking People: means listening to people, thinking and contemplating together, and creating human capital that can lead to happiness.

Thinking People: means constantly taking on new challenges for the future based on a global perspective.

Thinking most sincerely about people

To maintain the management philosophy of “Customer First ” that we have practiced since 1902, Dai-ichi Life and Dai-chi Life Group will continue to reform, aiming to create new value for people and achieve sustainable growth.

Thinking People First

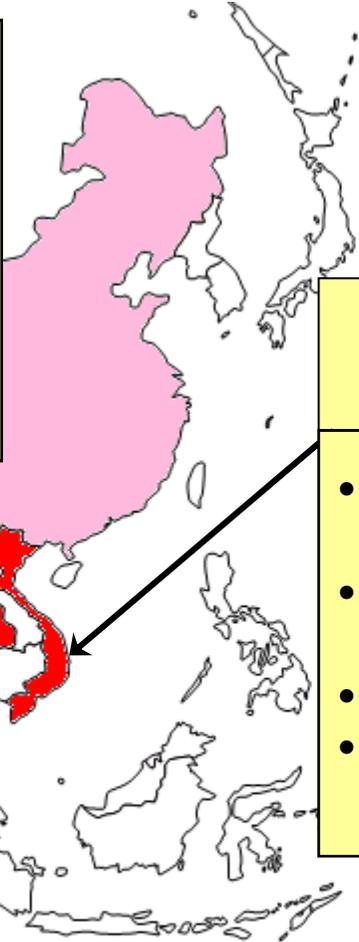
DAI-ICHI LIFE

Overseas Businesses

India



- Dec. 2007: Joint venture agreement
- Feb. 2009: Commenced operations
- First Japanese life insurer in India
- 26% stake
- First-year premium income ranked 14th out of 23
- Further increase presence through bancassurance



Vietnam



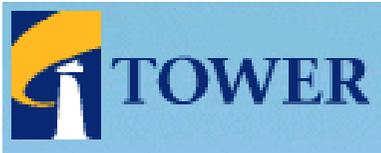
- Jan. 2007: Commenced operation
- First Japanese life insurer in Vietnam
- Wholly owned
- 6.3% market share in FY2009, and expanding

Thailand



ไทยสมุทรประกันชีวิต
OCEAN LIFE INSURANCE

Australia



Overseas Businesses

India



Thailand



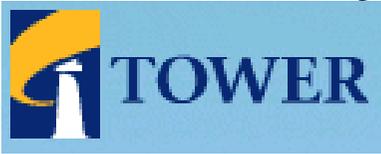
ไทยสมุทรประกันชีวิต
OCEAN LIFE INSURANCE

- Jul. 2006: Group reinsurance agreement
- Jul. 2008: Strategic alliance
- 24% stake
- Broaden accessible markets and achieve organic growth

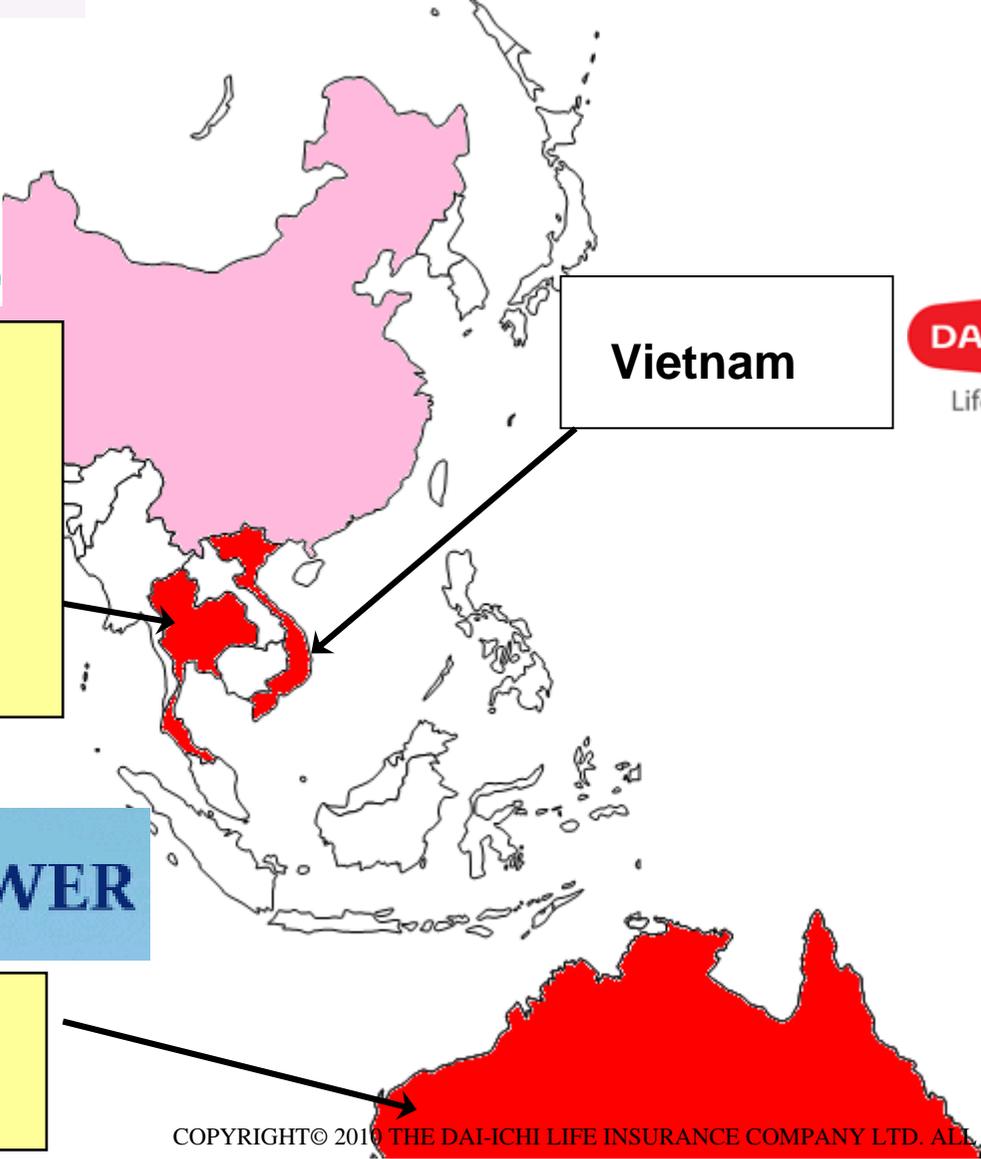
Vietnam



Australia



- Aug. 2008: Strategic alliance
- 28.6% stake
- Stable earnings source



Thank you and see you again!

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