



DAI-ICHI LIFE'S LIFE INSURANCE BUSINESS IN ASIA

Dai-ichi Life Insurance Company, Limited

Oct 29th **2010**

DEMUTUALIZATION & LISTING ON THE TOKYO STOCK EXCHANGE (TSE)

- Demutualization and Listing on the TSE in April 2010.
- Improving the infrastructure to ensure sustainable growth for 2012, the 110th anniversary of the founding of Dai-ichi Life

■ Company Profile

Company name	The Dai-ichi Life Insurance Company, Limited
Establishment	Founded in 1902 as the first mutual life insurance company in Japan
Total market value	Approx. ¥1.2 trillion (as of 31 st Jul) The third -largest insurance company in Japan
Number of shareholders	Approx. 1.37 million, the largest number of shareholders in Japan
Number of policyholders	Approx. 8.23 million (as of the end of Mar. 2009)
Total assets	Approx. ¥30.8 trillion (as of the end of Mar 2010) The third-largest insurance company in Japan

■ Initiatives for 2012

Pursuing sustainable growth

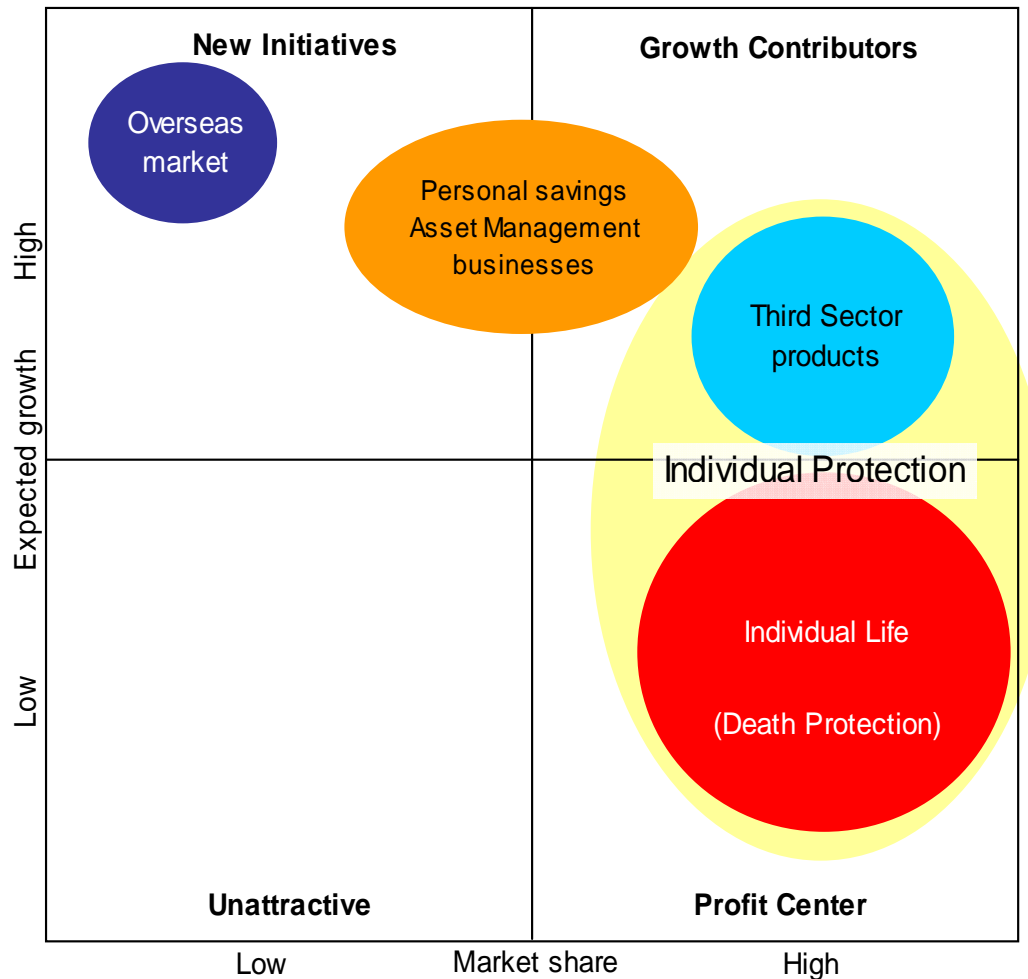
Establishing a holding company system

Enhancing the competitiveness of the core business

Strengthening initiatives for growth (international life insurance business, etc.)

INITIATIVES FOR GROWTH

Dai-ichi Life's Business Portfolio

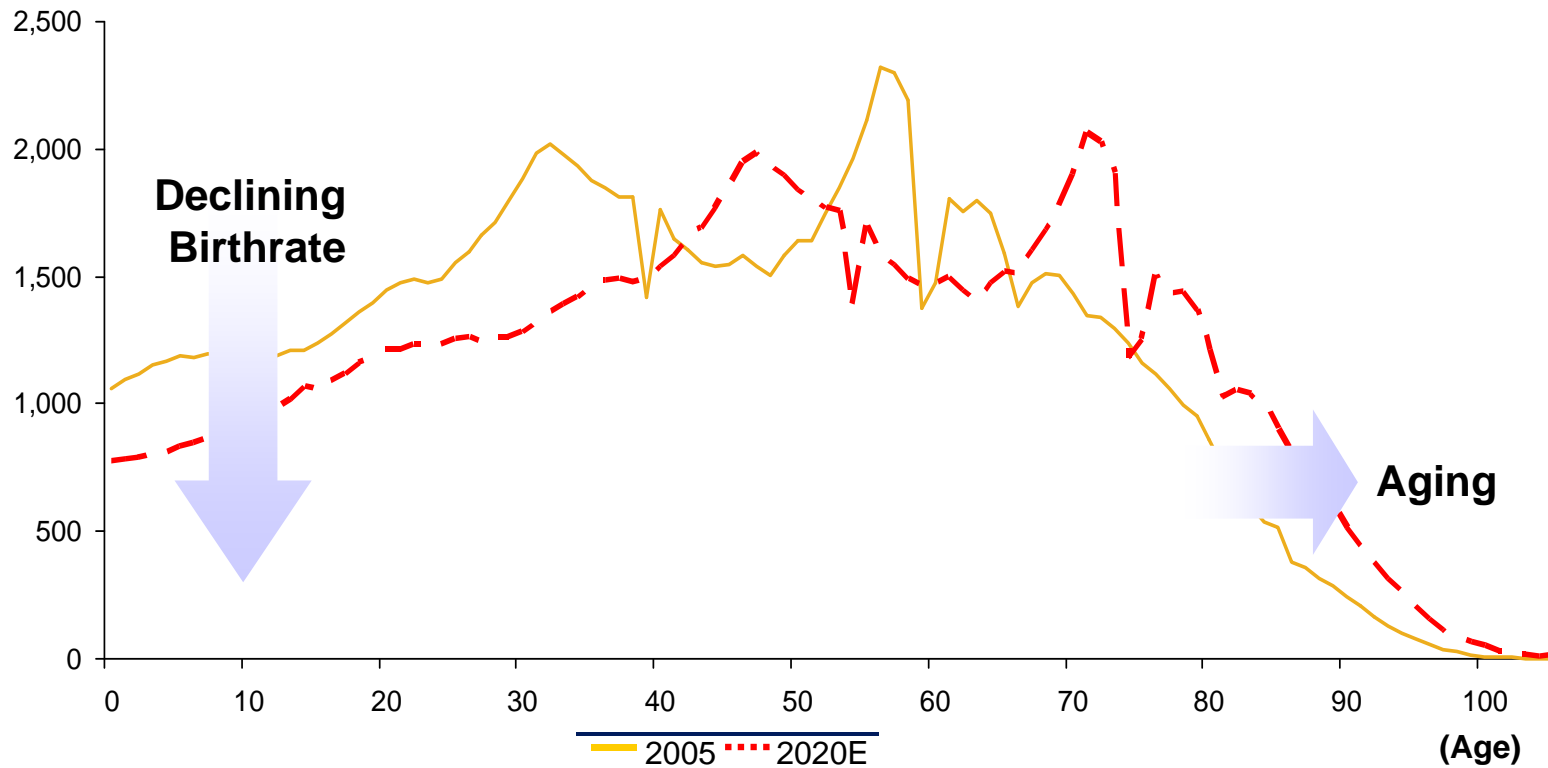


- Dai-ichi Group focuses on the following three business domains as growth markets:
 - Domestic insurance businesses:
 - Third-sector products, including medical and living benefits
 - Savings-type products for individuals
 - International life insurance business:
 - Working on Chinese market entry
 - Asset management business
- Pursuing external growth, including M&A to supplement organic growth

CHARACTERISTICS OF THE JAPANESE LIFE INSURANCE MARKET

Demographics

(thousand people)



Source: National Institute of Population and Social Security Research, December 2006

GLOBAL DATA FROM INSURANCE GROWTH PERSPECTIVE

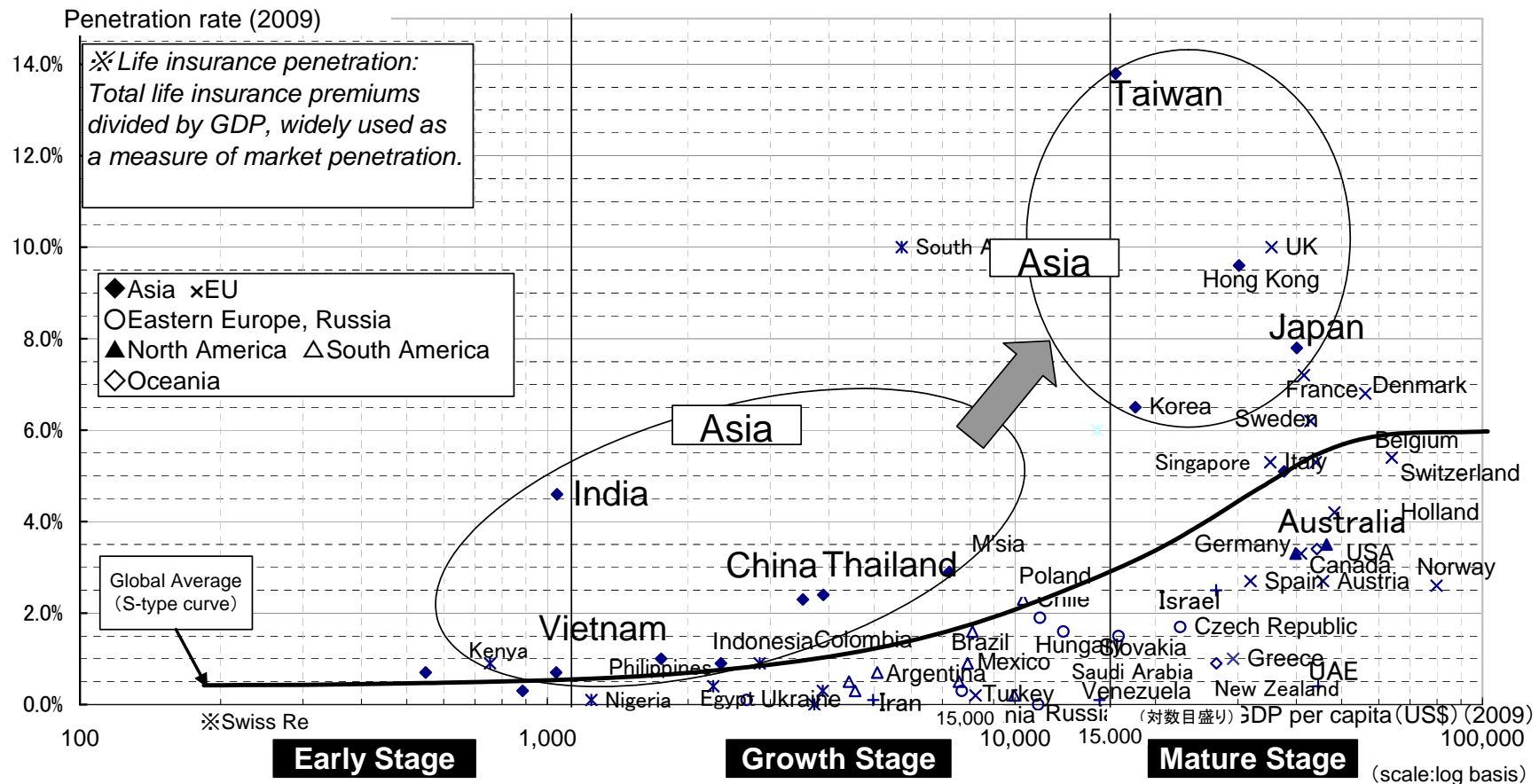
- The Asian region outside Japan is an attractive market.
 - The regional population accounts for almost half global population and is rising.
 - GDP has grown by an average of 8% annually over the past 5 years.
 - Life insurance premiums have increased at an average annual rate of 15% over the past 5 years.

		Asia except Japan		Europe		East Europe & Russia		North America		South America		Japan	
			Share		Share		Share		Share		Share		Share
Population (million)	2008	3,447	51%	544	8%	235	3%	337	5%	506	8%	127	2%
	2025 (estimation)	4,066	51%	565	7%	219	3%	389	5%	603	8%	118	1%
	VS 2008	1.18	--	1.04	--	0.94	--	1.15	--	1.19	--	0.93	--
GDP (billion dollars)	2008	8,840	15%	19,089	32%	2,925	5%	15,767	26%	4,010	7%	4,845	8%
	5 year average growth rate	+8.1%	--	+2.2%	--	+6.2%	--	+2.4%	--	+4.8%	--	+1.5%	--
Total Premium (Life) (billion dollars)	2008	316	13%	1,022	41%	23	1%	626	25%	40	2%	367	15%
	5 year average growth rate	15.4%	--	6.4%	--	10.5%	--	4.1%	--	15.0%	--	-2.1%	--

Reference : Swiss Re, Population Reference Bureau

ECONOMIC GROWTH & LIFE INSURANCE PENETRATION

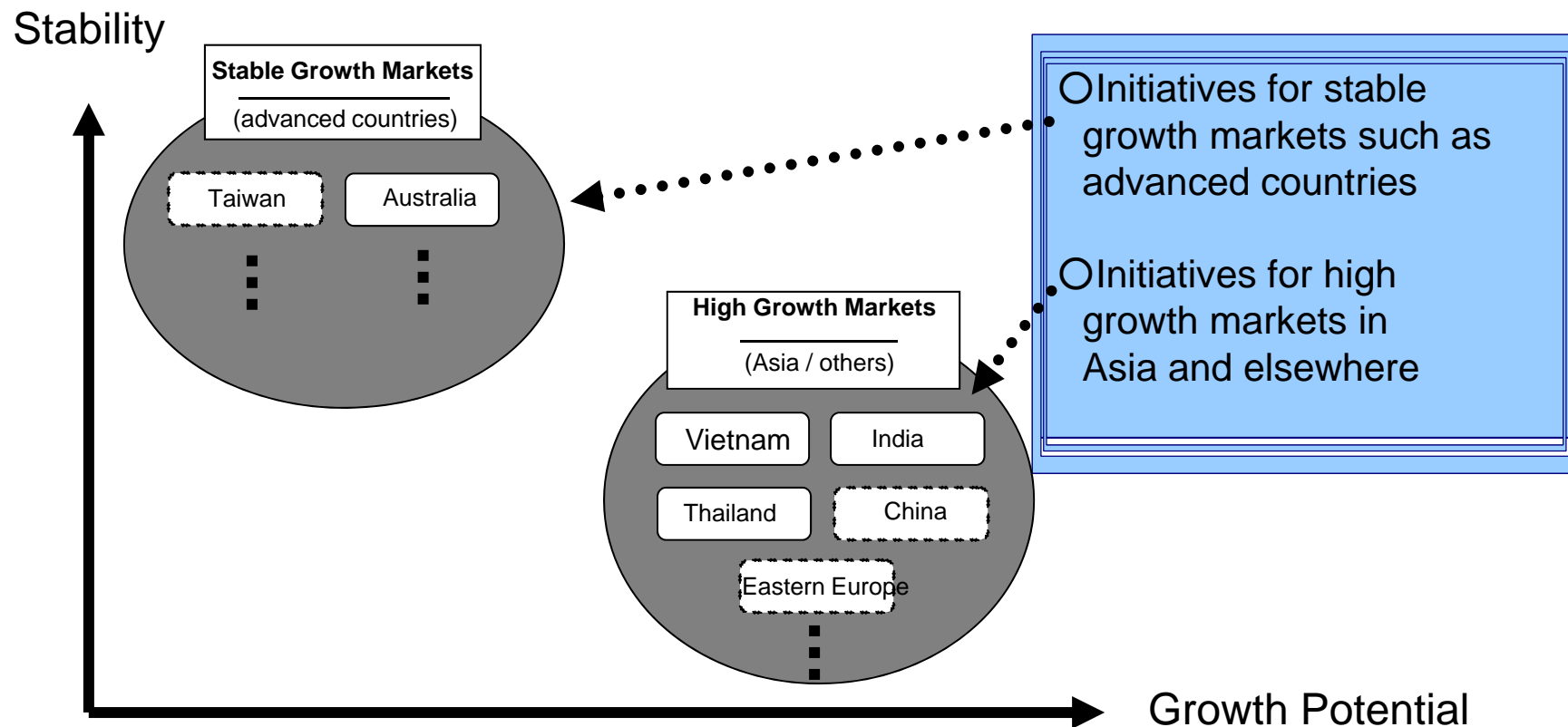
- Life insurance penetration rate (calculated by dividing life insurance premiums by GDP) tends to increase while per-capita GDP is in the range of \$1,000 to \$15,000.
- In Asia, the penetration rate is relatively higher than other regions of the same level of income.
- Asia indicates a capacity for high penetration of life insurance products and it is anticipated to hold more potential as a life insurance market.



BASIC STRATEGY FOR INTERNATIONAL LIFE INSURANCE

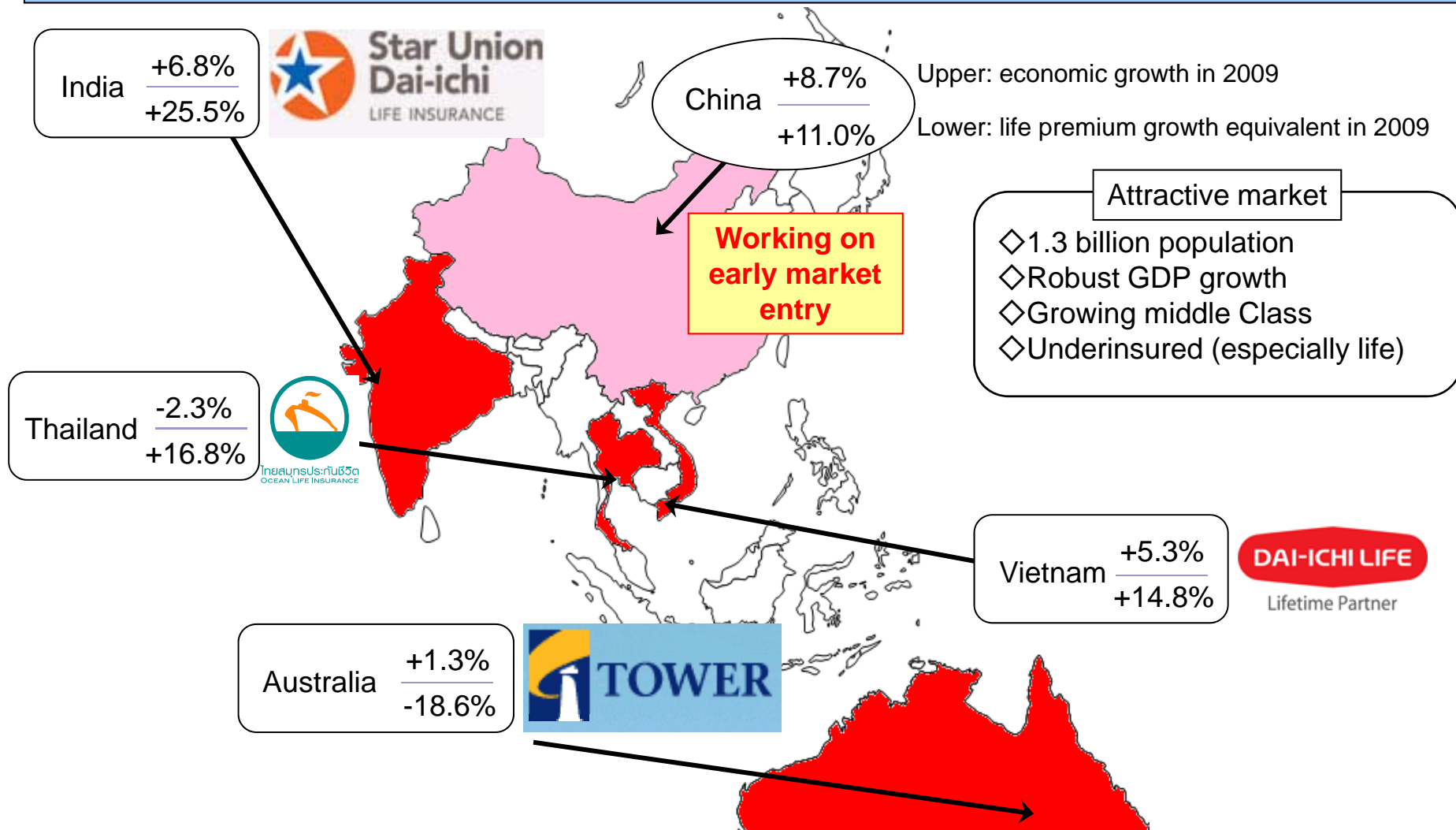
- ◆ Develop strategies for the medium to long terms to diversify business regions and work with insurers at various stages of development.
 - Focus on the Asian sector, among others, where high growth is anticipated.
 - Focus on companies expected to achieve stable rather than high growth.

Our thinking on target regions



OVERSEAS BUSINESSES

■ Add value to existing markets with our established expertise in developing products and sales channels for death protection



PROMOTING BUSINESS COLLABORATION: VIETNAM

DAI-ICHI LIFE

Lifetime Partner

Achievement

- January 07 acquisition of Bao Ming CMG
- First Japanese life company in Vietnam
- Wholly owned
- 6.3% market share in FY2009

Action Items

2010: Take the following major steps as “Key Initiatives”

- Pursue Growth, Sustainability, and Efficiency
 - Improve sales capability (strengthen individual agent efficiency, train leaders, etc.)
 - Diversify products.
 - Improve operating costs.
 - Enhance the customer service system.
 - Promote ALM and secure stable investment profits.
 - Reinforce the internal control system.

Achievement

- Dec 07 JV agreement signed (26% stake)
- Feb 09 Commenced operation (bancassurance)
- First Japanese life company in India
- First-year premium income ranked 14th out of 23

Action Items

2010: Priority Action Areas

- Initiatives to stabilize the business infrastructure
 - Enhance the sales promotion and sales support system. (Train wholesalers and expand branch offices.)
 - Improve operational indexes.
 - Increase the operating ratio at bank branches.

PROMOTING BUSINESS COLLABORATION: THAILAND



Achievement

- July 06 Group reinsurance agreement
- July 08 Strategic alliance signed
- 24% stake

Action Item

- Promote the 2010 Business Collaborative Plan.
- Expand the business volume
 - Deeply cultivate the middle-high income market segment in the Bangkok area.
 - Enhance the sales capabilities of traditional agent channels.
- Improve management efficiency.
 - Refine profit management.
- Upgrade the risk management system
- Boost sales to Japanese affiliates in Thailand.
- <Other>
 - Upgrading of the internal control system

Achievement

- August 08 Strategic alliance signed

- 28.6% stake

Action Item

2010: Priority Action Area

- Execute the Business Collaborative Plan to benefit from the alliance through cooperation.
 - Engage in capital management.
 - Study and take on reinsurance.
 - Exchange personnel.
 - Study new business collaborative plans to benefit from the alliance through cooperation.

- Boost sales to Japanese affiliates in Australia.

OUR CONTRIBUTION TO DEVELOPING THE INSURANCE INDUSTRY IN ASIA: FALIA

To develop the life insurance industry in various countries, especially for Asian countries, Dai-ichi Life has been holding special seminars in both Japan and other countries featuring experts in the life insurance business.

Many graduates from FALIA are contributing to the growth of the insurance business in their own countries.

<Overview of FALIA>

- 1962 : Launch of a training program for people working in the life insurance industry in Asia
- 1970 : The Foundation for the Advancement of Life Insurance in Asia (FALIA) launched
Later renamed "The Foundation for the Advancement of Life & Insurance Around the world"

<Principal Activities>

Insurance seminars in Japan

- Invited 3,244 participants from 27 countries or regions*

* The number of countries and participants is the accumulated total from 1962 to 09 / 2010.

Overseas insurance seminars

- Held in 13 countries, with 4,649 people participating.*

* The number of countries is the accumulated total from 1962 to 09 / 2010 while the number of participants is the total sum from 1986 to 09 / 2010.

Insurance Seminars in Japan: Number of Participants by Country / Region

Participants: total sum from 1962 to the end of 2009 (as of Mar. 31, 2010)

Country	South Korea	Taiwan	Indonesia	Thailand	China	Philippines	Sri Lanka	Malaysia	Others ※	Total
Year										
Before 2007 FY	712	567	338	277	247	182	133	150	343	2,949
2008 FY	13	20	10	24	5	4	17	5	21	119
2009 FY	12	14	9	17	3	3	10	4	25	97
2010 FY as of September	11	9	6	12	3	2	16	3	17	79
Total Participants	748	610	363	330	258	191	176	162	406	3,244

※Others: India, Vietnam, Bangladesh, Singapore, Hong Kong, Mongolia, Turkey, Uzbekistan, Pakistan, Kazakhstan, Bahrain, Czech Republic, Bulgaria, Russia, Poland, Hungary, Venezuela, Colombia, USA



THE SOCIAL SIGNIFICANCE OF LIFE INSURANCE

“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



GOVERNMENT STANCES ON PENETRATION OF PROTECTION PRODUCTS IN ASIA

Taiwan

- ✓ The Commission is **positive about developing protection products**, based on the recognition that life insurance coverage for the general public falls short of the standards.
- ✓ For insurers who can meet **fixed standards on insurance with death benefits** (either in terms of new business or in-force), the Commission has granted preferential treatment by raising the number of products they can submit for **approval with a single application from 2 to 7**. (*)

* The Financial Supervisory Commission raised the ceiling by official notice on Jun. 29, 2007. The number was then increased to “7” by the same kind of official notice on Feb. 2, 2010.



GOVERNMENT STANCES ON PENETRATION OF PROTECTION PRODUCTS IN ASIA

India

- ✓ In response to the rapid growth of unit-linked insurance, the Insurance Regulatory and Development Authority (IRDA) adopted revised regulations, **raising the guaranteed minimum death benefit** to curb this surge. Securities authorities also investigated the situation. Finally, tax authorities are **reviewing requirements for the tax deduction applied to life insurance**, to expand amounts assured and terms of policies.
 - * “Revision of regulations concerning Unit Link” by IRDA’s official notice on Jun. 28, 2010
- ✓ IRDA has revised and reviewed regulations to encourage sales of long-term traditional products as mentioned above.



GOVERNMENT STANCES ON PENETRATION OF PROTECTION PRODUCTS IN ASIA

China

- ✓ The China Insurance Regulatory Commission (CIRC) is concerned about the industry tendency towards excessive focus on investment instruments since the collapse of Lehman Brothers.
- ✓ CIRC issued a specific message to insurers in order to **encourage sales of long term protection-based products**. (*1). Additionally, to **recognize the current sales status of protection-based products**, it has requested insurers to periodically submit reports on sales performance by product (*2). It seems that CIRC has shifted towards promoting protection-based insurance.

*1 November, 2009 Ve. issued on Feb. 2, 2009 by CIRC

*2 No. 84 ve. 2009, issued on Jul. 27, 2009 by CIRC

THE NEED FOR PROTECTION-BASED PRODUCT PENETRATION IN CHINA

The Chinese life insurance market has grown around 26% p.a. from 2005 to 2008 in terms of premium income.

mainly driven by

Short term investment-type products

Financial crisis in 2008

The attractiveness of investment-type products declined significantly



almost no contribution

LTSP* products

*Long-Term Savings and Protection-based products

Chinese consumers are still under-protected against accidents, illness, disability, and death.

Traditional agent channel

Better suited to promoting LTSP products due to

- Sales model
- Commission system
- Training system, etc.

- ◆ The factors impeding the spread of LTSP products in China;
- an emphasis on investment-type products
 - excessive dependence on the bank channel
 - a lack of financial instruments to take over from LTSP products

It is necessary to secure the trust of customers through the existing agent channel.

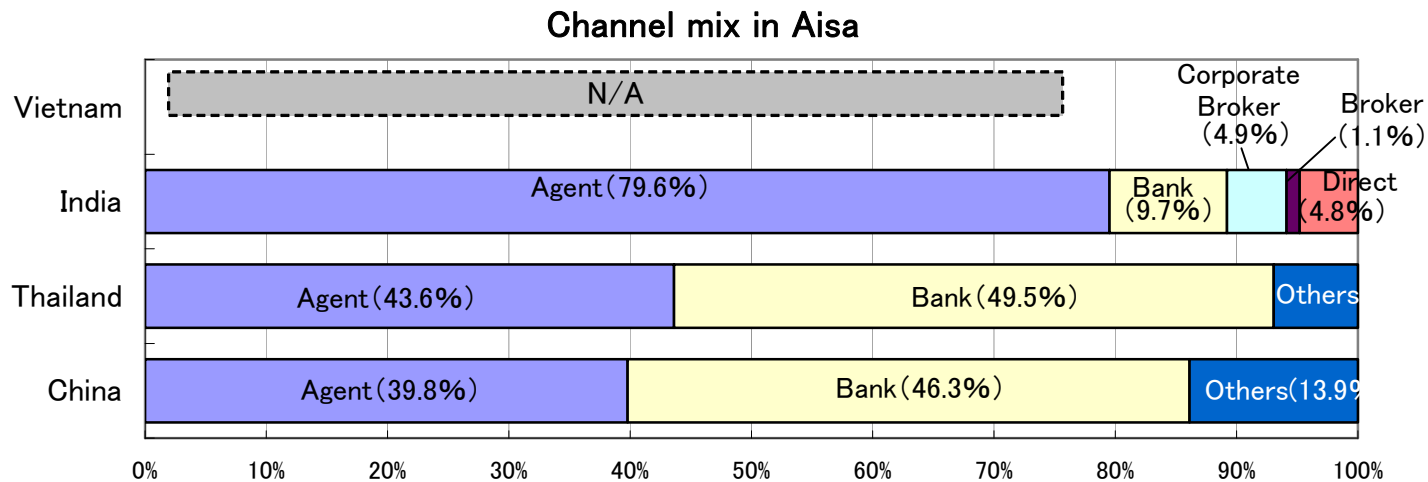
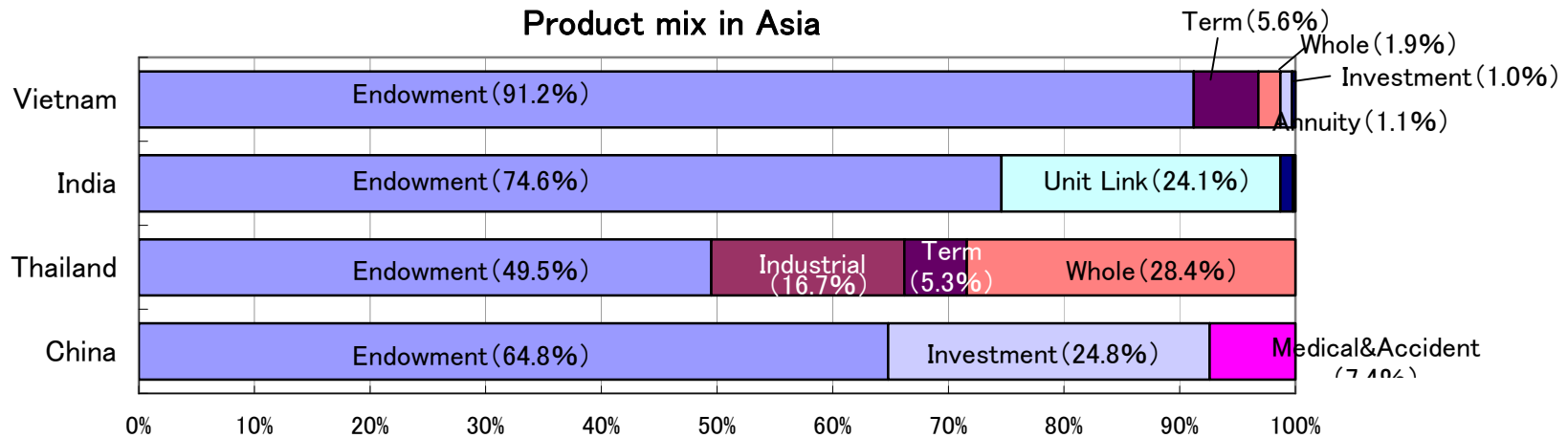
Numerous efforts are needed under the initiative of the government to promote LTSP product sales

- grant tax incentives
- educate people about the need for insurance
- relax regulations for insurers with a greater weighting of LTSP sales
- encourage an improvement in the quality of the sales rep. channel
- create an environment conducive to protection-based products

※Reference : "Promoting the Long-Term Savings and Protection Functions of the Life Insurance Industry" by McKinsey Financial Institutions Group in Sep. 2009

THE ASIAN LIFE INSURANCE MARKET TODAY

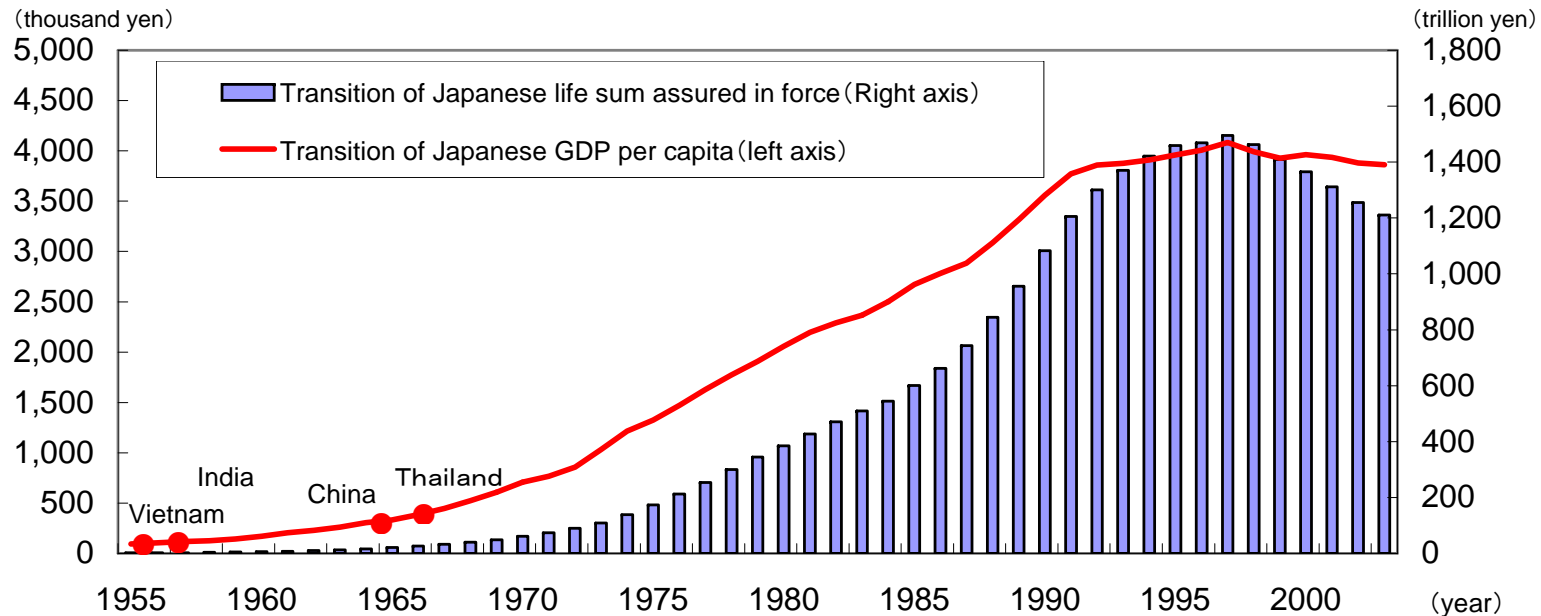
- Savings-type products such as endowment, etc. are currently the main product in Asian markets.
- The individual agent channel occupies a large part of the channel, while bancassurance is just as large in Thailand and China.



ECONOMIC GROWTH AND MARKET DEVELOPMENT IN JAPAN

■ Per-capita GDP and business in force

- Business in force has increased with growth in per-capita GDP in Japan.
- Further market expansion is expected with the continued economic development of Asian countries.



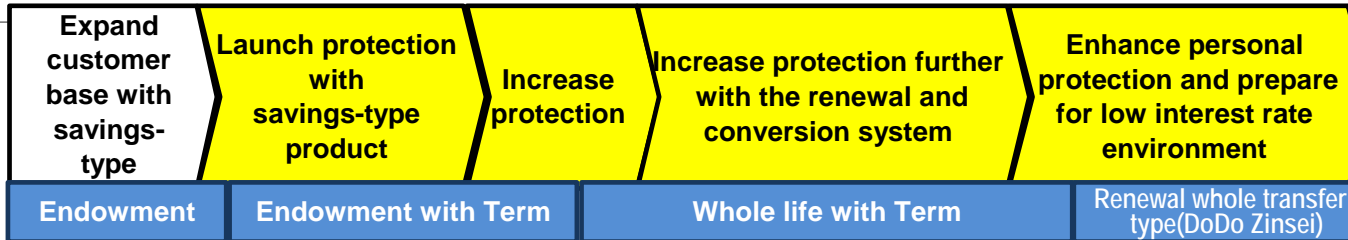
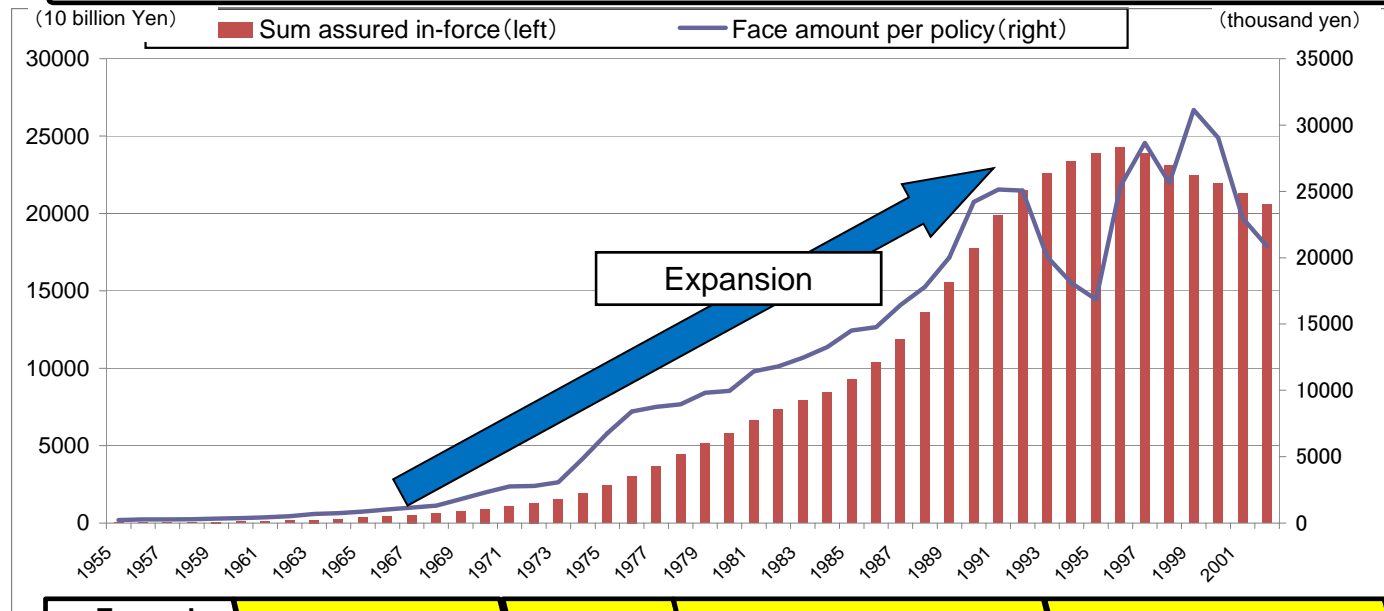
※Plotting 2008 per-capita GDP for each country on the line showing Japanese nominal GDP per capita. Exchange is calculated as 1US\$ = 100 JPY
 ※Reference: UN Common Data Base, EIU, Ministry of Internal Affairs and Communications, Economist Intelligence

The Public Nature of Life Insurance Companies: Investment in the Public Sector and Lending as a Financial Institution

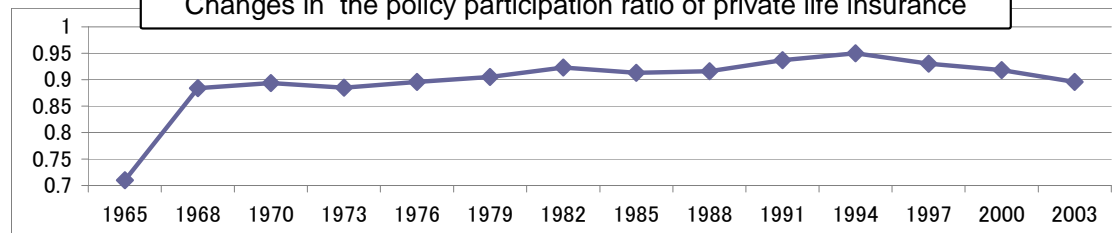


HISTORY OF DAI-ICHI LIFE'S BUSINESS INITIATIVES

Transition of sum assured in-force and face amount per policy (Dai-ichi's case)



Changes in the policy participation ratio of private life insurance



PROTECTION-BASED PRODUCT AND DISTRIBUTION CHANNELS

■ Indication 1 ■ The need for an agent channel to sell protection-based products

- In the United States, protection-based products have some market share and are mainly sold by the agent channel
- In Europe, the lack of agent channels is one reason why the savings-type product is the leading product type
- It takes time and money to create an agent channel that responds to customer needs

■ Plan 1 ■ Give priority to time-consuming channel construction.

■ Indication 2 ■ The need for cultivation from the supply side

- In the United States, there is a protection-based product market of a certain size.
- In Europe, the protection-based product market is limited because of the negative attitude of insurers to selling it.
- Japan achieved a continuous increase in sum assured during the period of economic growth by developing and launching products in step with the social environment.

■ Plan 2 ■ Practice timely action by understanding each country's development phase.

■ Indication 3 ■ The need to benefit both from loading and commissions

- In Europe, the opportunity to launch protection-based product is falling due to low profitability from severe competition.
- In addition, from a sales aspect there is also a negative incentive to sell it because of low commissions.
- In Japan, we have expanded protection-based products because of the useful loading system, commission strategy, and sales management index, such as the sum assured.

■ Plan 3 ■ Ensure profit and provide sales incentives by controlling channel and product development simultaneously.

STRATEGY FOR EXISTING MARKET AND CULTIVATION OF UNDEVELOPED MARKETS

- Growth in existing markets in each country and first-mover advantages by cultivating undeveloped markets are the two wheels of our value-adding strategy.
- The development of the protection-based product market is an area in which we can show the greatest strength.
- However, the rate of economic development or progress of development phases are varied. We need to avoid consuming resources by institutional action, and we need to gradually cultivate each market with good timing.

Basic Policy of Value-adding Strategy

Enjoyment of growth in existing markets

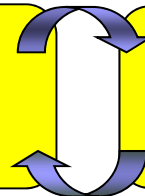
It is possible to generate sustainable profits in accordance with the rate of each country's market growth by stably and efficiently providing popular products to the main market.

Taking advantages as a pioneer

Enjoy benefits as a first mover and increase profits further by providing timely new products suitable for the market to undeveloped or emerging markets through distribution channels tailored to the product and market.

Our model of Protection-based product market cultivation

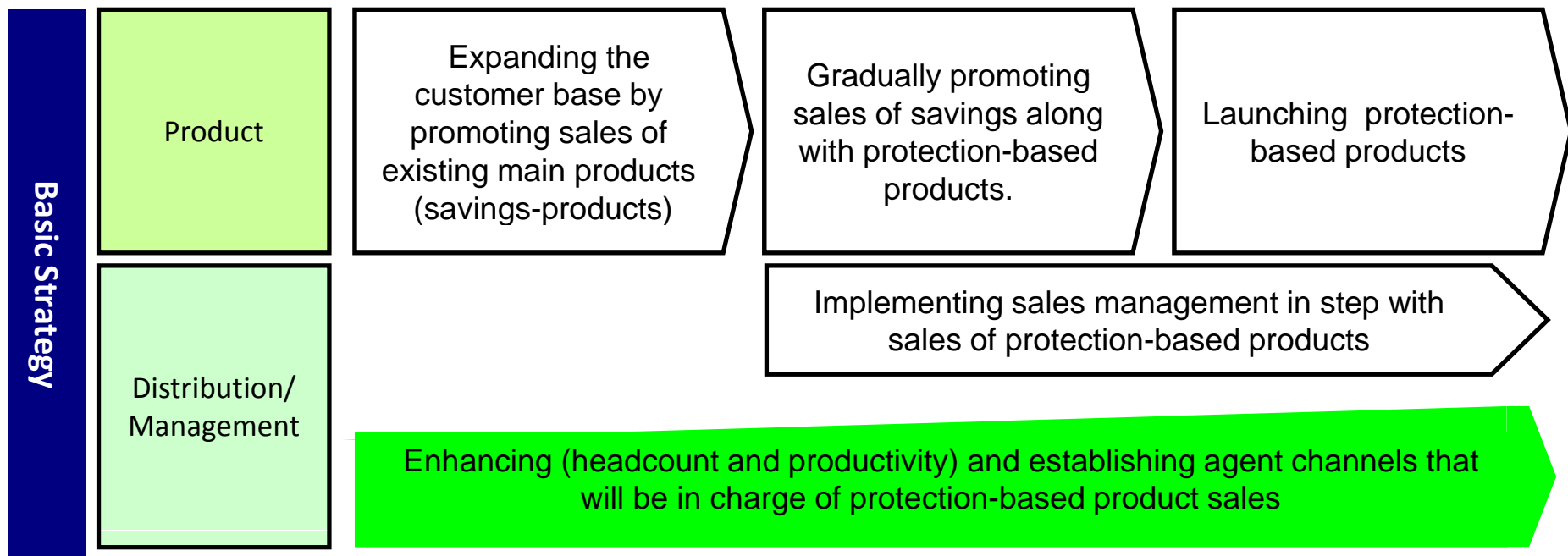
Identify the development phase of the protection-based product market based on qualitative and quantitative aspects



Adopt an effective response based on the individual circumstances in each country, in accordance with the country's development phase

BUSINESS EXPANSION BY DEVELOPMENT PHASE

- We periodically study the development phase of the protection-based product market, and take the appropriate action in a timely way based on our understanding.
- In particular, we launch timely protection-based products and sales management system. We establish an agent channel taking into account the authority, regulations, competitive environment, culture, and other factors.



Making decisions by comprehensively considering each country's case

VALUE-ADDING STRATEGY

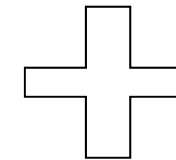
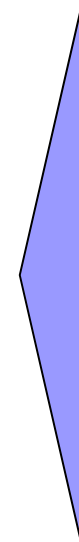
- Provide know-how to enhance value and offer wide-ranging support.
- Utilize and accumulate know-how by strengthening communications with those in charge of functions and countries.

			Vietnam (Dai-ichi Life Vietnam)	Thailand (Ocean Life)	India (Star Union Dai-ichi Life)	Australia (Tower)	
Business Expansion	Individual Life	Agent	Improve sales capabilities.	Worksite Marketing			
		Bancassurance		Enhance sales capabilities of existing agents.			
	Group Life	Launch and expand bancassurance.		Initiatives to stabilize the business infrastructure	Develop sales to Japanese affiliated companies.		
			Develop sales to Japanese affiliated companies.				
Improvement of Efficiency & Quality	Asset Management		Upgrade the risk management system for ALM				
	Actuarial·Accounting·Product Development		Review of existing products, product development, business Planning.				
	Underwriting·IT		Core System(Individual) Operational System(Group)	Review Workflow		Upgrade the Internal Control system, e.g., with new policy operation.	Personnel exchange
	Internal Control		Reinforce compliance. Set up the Internal Control system. Reinforce the internal control system.			Organize Internal Control based on MOU.	

HUMAN RESOURCE MANAGEMENT TO SUPPORT VALUE-ADDING

Field	Example Job Description
Management	<ul style="list-style-type: none"> • Planning and executing strategies • Providing general management
Individual Life	<ul style="list-style-type: none"> • Taking initiatives for the protective-type product market • Supporting product development • Supporting sales promotion planning • Providing expertise in agent guidelines and management
Group Life	<ul style="list-style-type: none"> • Undertaking group life with Japanese affiliated companies • Providing reinsurance
Asset Management, Risk Management, ALM	<ul style="list-style-type: none"> • Supporting ALM
Actuary	<ul style="list-style-type: none"> • Providing pricing for product development (reviewing profit margins) • Supplementing local actuary staff
Legal, Compliance,	<ul style="list-style-type: none"> • Providing parent company's internal control know-how • Helping to reinforce the internal control function • Executing internal control based on global guidelines
IT·Underwriting	<ul style="list-style-type: none"> • Supporting the establishment of systems infrastructure • Providing underwriting know-how • Supporting the establishment of an underwriting structure

Provide know-how by DL staff
 ※ Recruiting students from Asian countries such as Vietnam, Indonesia, Bangladesh, China



Utilize know-how between DL & Asia

Recruiting people with know-how of Asian life business management

HUMAN RESOURCE MANAGEMENT TO SUPPORT VALUE-ADDING (CONT'D)

Now: Support by telephone conferences, e-mail, business trips by DL staff

Future: Localize local management. Build know-how by recruiting Asian people, exchanging & transferring within the Group.

