(Unofficial Translation)

FY2011-3Q Financial Results Conference Call for Institutional Investors and Analysts

Q&A Summary

Date: February 13, 2012 18:30 – 19:15

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< Review of Operations >

Q1. Looking at the quarter-to-quarter trend of your annualized net premium (ANP) of new policies, ANP of new third sector policies for the 3rd quarter continue to perform well, while ANP of new non-third sector policies for the same period decreased compared to the 2nd quarter. Would it be accurate to understand that these trends are mainly attributable to a decrease in sales of single premium whole life (such as Grand Road) but not protection-type products (such as Junpu Life)?

A1. That is accurate. The decreased sales in the 3rd quarter compared to the 2nd quarter are attributable to decline in sales of Grand Road (as a result of reduced assumed rate of investment return set for Grand Road). Sales of Junpu Life in the 3rd quarter increased compared to that in the 2nd quarter. The current year sales are more weighted in third sector products and, so, the current year sales of Junpu Life decreased slightly year-on-year, although sales of Junpu Life in the last January increased year-on-year.

< Fundamental Profit >

Q2. Your fundamental profit for the three months ended December 31, 2011 decreased year-on-year. I understand that your interest and dividend income decreased and, on the other hand, that you reduced operating costs. Please indicate what caused the decrease in fundamental profit.

A2. We saw boosted sales of single premium whole life insurance (product name: Million) in the 3rd quarter last year in light of a downward revision of assumed rate of return set for the product. Consequently, we are now in a sales pull-back period. A year-on-year decrease in our loading of premium as a result of the sales pull-back negatively impacted our fundamental profit. Moreover, a decrease in mortality and morbidity gains and an increase in depreciation expenses also negatively but slightly impacted the fundamental profit.

Q3. You revised your fundamental profit forecast upwards from approximately 270 billion yen

to 280 billion yen. Is the increased forecast attributable to the 1 billion yen decrease in benefits and claims in relation to the Great East Japan Earthquake after recalculation at the end of the 3rd quarter?

A3. We conservatively calculated our original fundamental profit forecast for the current fiscal year. However, for the revised forecast, we re-calculated the fundamental profit forecast, taking into account the progress on our cost-cutting measures and the recent steady trend of our mortality and morbidity gains.

Q4. Please indicate the amount of reserve for outstanding claims in relation to the Great East Japan Earthquake reversed during the 3rd quarter.

A4. We reversed approximately 12.8 billion yen for the first six months and approximately 13.7 billion yen for the nine months. The difference between the two figures represents the reversal for the 3rd quarter.

< Negative Spread >

Q5. Now that you reduced the balance of foreign currency-denominated bonds, please indicate your negative spread forecast for the next fiscal year.

A5. As we have not finalized our earnings forecast for the next year, I can’t answer you precisely. However, I estimate that the negative spread for the next year will stay around roughly the same level as the current fiscal year. We reduced the balance of risk assets, which will in turn negatively impact our interest and dividends income to some extent. On the other hand, by providing for additional policy reserves, we will gradually reduce the cost of liabilities. Taking into account both of these impacts, I forecast the next year negative spread to stay around the same level as the current fiscal year. I’d like to explain the next year negative spread in details after finalizing the earnings forecasts.

Q6. Please indicate the amount of additional policy reserves accumulated in total.

A6. Our additional policy reserves amounted to 480 billion yen at the end of September 2011 and are expected to amount to 520 billion yen at the end of the current fiscal year.

< Investments >

Q7. Please indicate the breakdown of ¥83.0 billion losses of valuation of securities by category, such as domestic stocks, domestic bonds and foreign securities, etc.

A7. The breakdown does not differ substantially from that as of the end of Sep-11. Specifically, the amounts of losses of valuation of domestic stocks, foreign stocks and foreign bonds are approximately ¥40 billion, ¥ 34 billion and ¥7 billion, respectively.

Q8. Is the understanding appropriate that there are almost no losses of valuation of domestic bonds?

A8. We feel comfortable with such understanding.

Q9. Please indicate your attitude towards TEPCO stock holdings.

A9. I will refrain from specifying the figure of TEPCO stock exposure. As mentioned earlier, our investment policy is to deal with TEPCO by taking into account the mid- to long-term economic rationality about all assets of our TEPCO exposure, including stocks. As the discussion on its “Comprehensive Special Business Plan” makes progress, we will think further about the economic rationality of investing in TEPCO while carefully observing the situation.

Q10. Maybe due to the sluggish domestic stock market, it looks like the pace of domestic stock reduction has slowed year-on-year. Please indicate the future pace of reducing domestic stocks.

A10. Since we set this year’s stock reduction target lower than that for the last fiscal year, and we have adjusted the timing of selling specific stocks taking into account the impact of the earthquake, you may think the pace of stock reduction has slowed. However, in case the Nikkei Stock Average stays around 8,000 yen, we think we will steadily reduce domestic stock exposure in the future, and our planned reduction will fully materialize in the 4^{th} quarter.

Q11. Please indicate the status of domestic stock reduction until the end of January. Also, related to your comment that in case the Nikkei Stock Average stays around 8,000 yen you will steadily reduce domestic stock exposure, please explain the amount of capital losses to be incurred in the 4^{th} quarter.

A11. Basically, we have been steadily reducing stock at our planned pace. Capital losses are reflected to our current earnings forecast, by accumulating losses related to individual securities. We believe that overall, we will have no further large amount of losses, although we could incur some losses for some securities.

< Solvency Margin Ratio >

Q12. Effective the end of March 2012, consolidated-based new solvency margin regulation will be introduced. While Dai-ichi’s non-consolidated solvency margin ratio (under the new standard) exceeds 500%, could you indicate an estimate of consolidated solvency margin ratio?

A12. While we are not able to give a specific figure because we have not conducted preliminary calculation as of the end of December 2011, we believe the consolidated solvency margin ratio is roughly the same level as the figure on a non-consolidated basis.

< Dai-ichi Frontier Life (DFL) >

Q13. My understanding is that Premier Currency Plus (foreign-currency-denominated individual annuities) contributed significantly in the third quarter to the increase of annualized net premium from new business. Is this correct? Moreover, going forward, will DFL's sales shift from variable annuities to foreign-currency-denominated products?

A13. As you mentioned, sales of foreign-currency-denominated fixed annuities and yen-denominated fixed annuities (with 5-year investment period which were launched from November 2011) are good. Basically, the product mix of DFL consists of variable annuities, foreign-currency-denominated fixed annuities and yen-denominated fixed annuities: however, the variable annuities market is currently sluggish due partly to difficult investment environment. Under the circumstance, we intend to sell products with links to foreign interest rates to those customers with a long investment horizon, while we will sell products with links to Japanese interest rates to those customers with a short investment horizon. Consequently, we will proceed with the current product mix.

Q14. You mentioned that you launched yen-denominated fixed annuities with a 5-year investment period. My understanding is that they are relatively low-risk with respect to rising interest rates in Japan. Is this correct?

A14. With respect to Japanese interest rates, we deliberately developed a product with a short investment period. Consequently, we think there is a relatively low risk in relation to rising interest rates in Japan.

< Capital Strategies >

Q15. Please explain about your policy regarding accumulation of internal reserves, namely accumulation of (1) additional policy reserves, (2) price fluctuation reserve and (3) contingency reserve.

A15. Regarding additional policy reserves, we plan an accumulation of between one hundred and one hundred and tens of billion yen per year. While we reversed some portion of our contingency reserve and reserve for price fluctuations for the 9 months ended December 2011 to offset the negative impact of the changes in the corporate tax system, we intend to accumulate them in an orderly manner going forward. We intend to continuously accumulate our internal reserve qualifying as core capital, while we will be also mindful of shareholder return.

Q16. Regarding contingency reserve and reserve for price fluctuations, do you have a plan to accumulate more than you have done in the past?

A16. Since our budget for next fiscal year is not decided yet, we cannot answer that question at this moment. However, we used to set aside three hundred and tens of billion yen per year (before tax) per year; and we intend to accumulate at least the same amount.

Q17. It seems that the implementation schedule for European Solvency II will be delayed. What is the impact of this on Dai-ichi's risk reduction plan?

A17. There is no change in Dai-ichi's risk control measures or capital strategies, even if the introduction of European Solvency II will be delayed. The introduction schedule of economic capital based regulation in Japan is not yet clear; we plan to implement our current measures steadily based on the assumption that it will be introduced around fiscal year ending March 2016. It seems possible that the introduction of new capital regulation in Japan will also be delayed; however we intend not to be influenced by that. We intend to proceed with our current capital strategies, including measures to control volatility of Dai-ichi's economic value.

< Establishment of a Holding Company >

Q18. Please explain about your schedule for establishment of a holding company. Dai-ichi postponed the establishment by one year due to Great East Japan Earthquake; does the plan remain valid? If so, when do you plan to establish the holding company?

A18. There is no change in our plan to prepare for an establishment of a holding company as a way of managing the company from a mid- to long-term strategic perspective. We continue to review the timing; in case there is any change, we will make an announcement.

Note: we made partial additions and alterations in preparing the above summary, for better understanding.

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