

**Financial Results Meeting for Institutional Investors and Analysts,
for the Six Months Ended September 2010
Q&A Summary**

Date: November 24, 2010 10:00 – 11:00
Respondent: Koichiro Watanabe, President and Representative Director
The Dai-ichi Life Insurance Company, Limited (the “Company”)

<Review of Operations>

Q1. It looks like the new business results have been solid so far this year, but isn't it attributable to conversions to other products from “Dodo Jinsei”? I believe the volume of in-force “Dodo Jinsei” policies to be renewed will be smaller in the fiscal year ending March 2012; on that assumption, is a drop in new business likely to be caused?

A1. As a matter of fact, the per-year volume of the in-force “Dodo Jinsei” policies to be renewed is estimated to stay within a certain range for the coming several years. It's not that the FY2010 figure is significantly larger than those for the following years.

Also, we would like to highlight that the biggest contribution for the recent growth in new business is from the brisk sales of the newly-launched “Junpu Life” (which was developed based on detailed analysis of customer needs), representing a bigger factor than conversions from “Dodo Jinsei”. This performance represents a promising trend, in our view.

Furthermore, our main products such as “Junpu Life” are not merely designed to provide death benefit but are packaged with third-sector riders. Together with a launch of new (stand-alone) third-sector products, we expect that sales volume of “Junpu Life” and third-sector products/riders will continuously increase. Thus, for new business, we expect that favorable factors based on customer needs will be larger than unfavorable factors.

<Guidance on Fiscal Year Ending March 2011>

Q2. What was the reason for having assumed a larger ordinary profit for the second half than the first half (74 billion yen for the first half, 195 billion yen for the full year) in the original forecast? Please explain the reason for keeping the ordinary profit forecast for the full year.

A2. The larger profit assumed for the second half is mainly attributable to higher net investment gains, especially net capital gains from sales of domestic stocks, assumed for the second half. Moreover, we decided not to change the forecast because there remain number of uncertain factors in the financial markets and elsewhere which could affect our profit for the full year.

Q3. Would you consider increasing the shareholder dividend for the year, which is currently estimated to be 1,600 yen per share, if the ordinary profit for the year exceeds the forecast?

A3. It would depend on how significant the difference from the forecast is, but it's most likely for us to stick to 1,600 yen per share. For the next 2-3 years, (in light of anticipated changes in capital rules) our priority is accumulation of retained earnings; thus even in case of better results for the year, our shareholder return policy will be weighted towards accumulation of retained earnings.

<Embedded Value (EV)>

Q4. Total assumed investment yield described in the “assumed investment yield on each asset used for the expected calculation” in page 31 of the “[Disclosure of European Embedded Value as of September 30, 2010](#)” is currently 2.05%. Would it be reasonable to estimate that the assumed investment yield will decrease slightly in consequence of future risk reduction?

A4. It is right that reduction of domestic stock exposure would negatively affect the assumed investment yield. However, the proportion of domestic stocks in our general account assets is less than 10% and we believe it will not greatly affect the total assumed investment yield.

Q5. Regarding “Organic growth in EEV” in page 8 of the [presentation material](#), would it be accurate to understand that the surrender and lapse rates and the estimated maintenance (operating) expenses do not reflect the improvements in those factors for the first half of this fiscal year, and those improvements will make positive contributions to growth in EEV for the full year?

A5. Surrender and lapse rates and the estimated maintenance (operating) expenses used for EEV calculation are updated at every fiscal year-end, taking actual annual results of those figures into account. Therefore, in theory, if those rates improve for the full year, for EEV calculation as of the end of fiscal year, the improvements would have slight positive effect on EEV. However, I would like to decline to disclose specific figures.

Q6. Please explain how the conversion from “Dodo Jinsei” to other products affects EV and whether the decrease in the pool of policies of “Dodo Jinsei” by the conversion to other products results in a decrease in EV.

A6. While policies of “Dodo Jinsei” decrease by the conversion to other products, the value of new policies (after conversion) positively contributes to EV. In the meantime, we set certain conditions for conversion in order not to result in a significant decrease in profitability of the policy in force caused by excessive conversions. Therefore, we believe the conversion from “Dodo Jinsei” to other product does not negatively affect EV.

<New Medium-term Management Plan: Channel Strategies>

Q7. Related to page 21 of the [presentation material](#), please explain about channel strategies.

In the new Medium-term Management Plan, do you intend to strengthen channels such as bancassurance, financial planners, agency sales etc.? Also, please explain your thinking on reorganization of the industry within Japan, as to desirable size or sales channel of a target entity. When considering reorganization, which factor is more important: economy of scale or acquisition of complementary channel(s)?

A7. The aim of the new Medium-term Management Plan is not to change our channel mix drastically, but to further develop the function of our contact points with customers by means of strengthening each of our channels while setting the sales representative channel as their core, and deepening collaboration among them. For example, I think that persons responsible for walk-in counters, financial planners and others can make a greater contribution to sales. Moreover, regarding our main channel, namely sales representatives, I think it is important to boost their retention by investing in recruitment and training.

There is nothing concrete that I can explain today on reorganization of the industry within Japan. However, as way of thinking, we always have a view in light of the specific character of each channel, on what kind of company would be attractive. For example, when we considered establishing Dai-ichi Frontier Life, we decided to establish a company by ourselves only after performing due diligence on existing domestic life insurer(s). This also depends on counterpart(s); thus, we will consider M&A opportunities as needed with a medium- to long-term view, taking into account our capital strategy. On the other hand, our main target as a growth area is the overseas market centered around Asia.

Regarding reorganization of the domestic industry, we would like to consider both acquisition of complementary channel(s) and economy of scale. During the preparation phase for a holding company structure, deal(s) with the objective of acquiring sales channel(s) would be more likely; whereas with a holding company structure in place, it would be easier for us to implement reorganization with intention of pursuing economy of scale.

<New Medium-term Management Plan: Capital Strategies>

Q8. Related to your previous comment “when we make progress on improvement of capital level, we would like to consider share buy-backs as an option”, on what kind of time horizon can we expect a share buy-back to materialize?

A8. It's necessary for us to confirm capital sufficiency on economic basis in light of the expected introduction schedule of economic-basis-capital-rules in Japan; thus, we would consider once we have fully understood the outline of the rules etc..

<New Medium-term Management Plan: Essence>

Q9. Regarding sustainable top line growth as shown on page 27 of the [presentation material](#), please let me know assumed level of growth rate.

A9. Since we are in the process of finalizing details of the Medium-term Management Plan, I would like to decline to disclose specific figures. Let me just say that suitable level is assumed, so that the Company can achieve “8% of average growth of ROEV”.

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

<Disclaimer>

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