

## **Financial Analysts Meeting for the Fiscal Year Ended March 2011**

**May 24, 2011  
The Dai-ichi Life Insurance Company, Limited**

---

- Thank you for taking time in your busy schedule to be here today.
- My name is Koichiro Watanabe, President of the Dai-ichi Life Insurance Company, Limited.
- Let me start the presentation.
- Please turn to page 2.

**Table of contents**

■ Agenda	2
■ Overview of Financial Results For the Fiscal Year ended March 31, 2011	3
■ European Embedded Value (EEV) of the Dai-ichi Life Group	4
■ Review of Mid-term Management Plan Covering FY 2008-2010	7
■ Mid-term Management Plan Covering FY 2011-2012 / Earnings Forecasts for the Fiscal Year ending March 31, 2012	15
➢ Impact of the Great East Japan Earthquake	16
➢ Initiatives for New Mid-term Management Plan "Success 110!"	18
➢ Earnings Forecasts for the Fiscal Year ending March 31, 2012	29
■ Appendix	30

## Agenda

- While the difficult financial environment has continued, The Company successfully achieved tasks set out in its mid-term management plan “Value up 2010”. In particular, Dai-ichi Life’s insurance sales, its core business, steadily improved.
- Although there was a significant impact on our financial results for the fiscal year ended March 2011 associated with Great East Japan Earthquake, by reflecting the impact in our financial results for the reporting period as much as possible, the Company made preparations for a new stage of recovery and growth under its new mid-term management plan in effect from this year.
- Under the new mid-term management plan “Success 110!!”, in addition to taking all possible measures to deal with the Earthquake such as the fulfillment of security functions to Earthquake victims, the Company continues to strive to (a) secure growth in domestic and international markets, (b) improve efficiency, and (c) enhance corporate value management .

- First, let me summarize today’s presentation.
- Since the fiscal year ended March 2011 was the last year of our three-year mid-term management plan “Value up 2010” and the first year after the demutualization, all 60 thousand employees carried out their own jobs with a special feeling. Looking back on the three years, beginning with the Lehman crisis and affected by Europe’s crisis and the Great East Japan Earthquake, the difficult financial environment has continued. However, thanks to the efforts of all employees, the Company successfully achieved tasks set out in the mid-term management plan.
- In particular, enhancement of our core business steadily progressed and insurance sales results steadily improved. There was a significant impact on our financial results for the fiscal year ended March 2011 associated with the Earthquake, but by reflecting the impact in our financial results for the reporting period as much as possible, we believe we will be able to focus on our new mid-term management plan from fiscal year 2011, as we enter a new stage of the recovery and growth.
- From now let me explain the financial results for the year ended March 2011 and Embedded Value of the Dai-ichi Life Group disclosed on May 18. Then I will explain our new mid-term management plan focusing on the recovery from the Earthquake and growth, building on the achievements in the mid-term management plan for the previous three years.
- Please turn to page 3.

**Overview of Financial Results** <Translated from Japanese>

**DAI-ICHI LIFE** **Consolidated Financial Results Highlights**

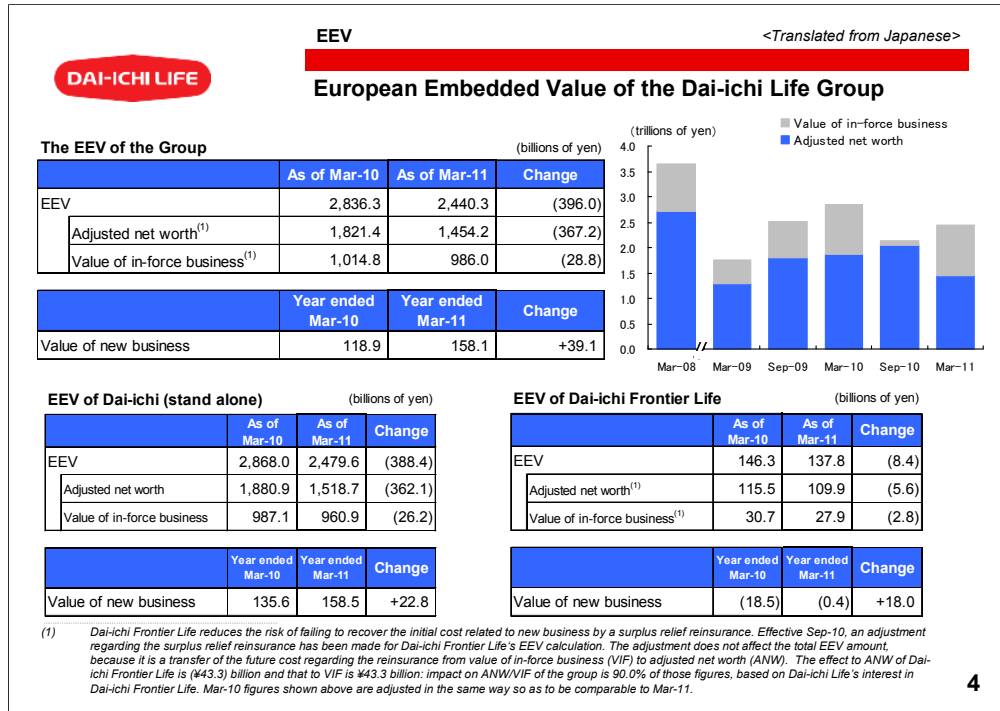
(billions of yen) <Reference>

	Year ended Mar-10	Year ended Mar-11 (a)	Change		Forecasts as of May 14, 2010 (b)	Achievement (a/b)
Ordinary revenues	5,294.0	4,571.5	(722.4)	(14%)	4,326.0	106%
Non-consolidated	4,331.5	4,308.4	(23.0)	(1%)	3,972.0	108%
Ordinary profit	188.2	81.1	(107.0)	(57%)	195.0	42%
Non-consolidated	193.6	78.9	(114.7)	(59%)	209.0	38%
Net income <sup>(1)</sup>	55.6	19.1	(36.5)	(66%)	50.0	38%
Non-consolidated	60.8	16.9	(43.8)	(72%)	62.0	27%

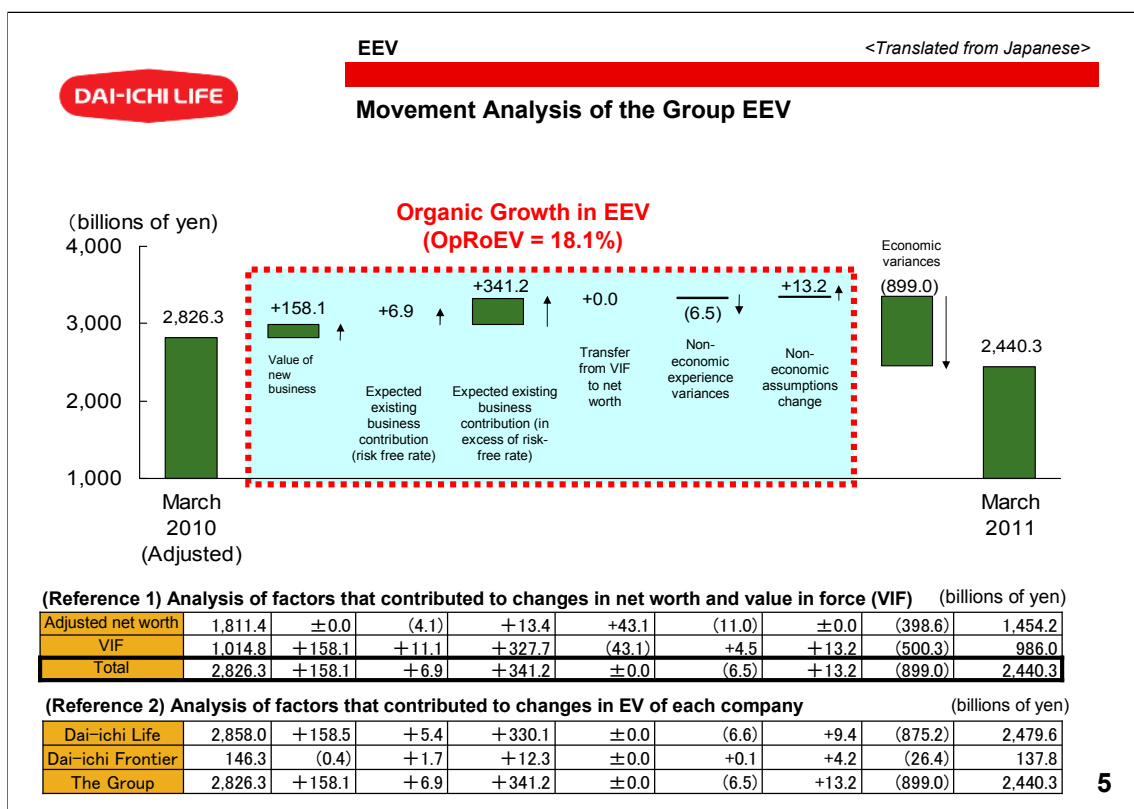
(1) Although the Company was a mutual company for the year ended Mar-10, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

**3**

- Consolidated financial results highlights are as shown here.
- Net income decreased by 36.5 billion yen year-on-year to 19.1 billion yen.
- As a consequence of the earthquake on March 11, the Company recognized expenses such as (1) significant losses on valuation of domestic equity securities associated with worsened investment environment and (2) earthquake-related provision for policy reserves. To deal with this impact, the Company reversed a portion of (1) contingency reserve, and (2) reserve for price fluctuations. Ordinary profits and net income for the year ended March 2011 were thus at a low level, but we believe that the direct impact from the earthquake is appropriately reflected in the financial results.
- The Company plans to pay a dividend of 1,600 yen per share, as forecasted previously.
- Please turn to page 4.



- I will explain about our European Embedded Value as of March 31, 2011.
- Group EEV as of March 31, 2011 was approximately 2.4 trillion yen, consisting of (1) Adjusted Net Worth (ANW) of approximately 1.4 trillion yen, and (2) Value of In-force Business (VIF) of approximately 1 trillion yen. Group EEV decreased by approximately 400 billion yen compared to previous year-end.
- ANW decreased by approximately 370 billion yen compared to previous year end. Since domestic financial markets were undergoing post-quake adjustment as of March 2011, unrealized gains on domestic stocks decreased, while unrealized gains on real estate and loans also decreased. Because of yen appreciation, unrealized gains on foreign bonds decreased as well.
- VIF decreased by approximately 30 billion yen, because the positive impact of improvement in surrender & lapse rate and acquisition of new business was offset by the impact of lower domestic interest rates.
- Please turn to page 5.



■ I will explain about movement of EV compared to March 31, 2010. First, starting from adjusted EV at the beginning of the fiscal year, increase due to “value of new business” is approximately 160 billion yen, and increase due to “expected existing business contribution” is approximately 350 billion yen.

■ Items from “value of new business” to “non-economic assumptions change”, total amount of which is approximately 510 billion yen, are attributable to management actions, which can be regarded as organic growth. The organic growth rate, operating RoEV, reaches 18.1%.

■ Economic variances of 899.0 billion yen are mostly attributable to declines in interest rates, in addition to the decrease in unrealized gains.

■ Please turn to page 6.

**EEV** <Translated from Japanese>

**EEV based Value of New Business**

**DAI-ICHI LIFE**

**Dai-ichi Life Group** (billions of yen)

	Year ended Mar-10	Year ended Mar-11	Change
Value of new business (A)	118.9	<b>158.1</b>	+39.1
Present value of premium income (B)	2,989.5	<b>2,916.4</b>	(73.0)
New business margin (A/B)	3.98%	<b>5.42%</b>	1.44pts

	Dai-ichi Life			Dai-ichi Frontier Life		
	Year ended Mar-10	Year ended Mar-11	Change	Year ended Mar-10	Year ended Mar-11	Change
Value of new business (A)	135.6	<b>158.5</b>	<b>22.8</b>	(18.5)	<b>(0.4)</b>	<b>+18.0</b>
Present value of premium income (B)	2,265.4	<b>2,730.2</b>	+464.8	804.5	<b>206.8</b>	(597.6)
New business margin (A/B)	5.99%	<b>5.81%</b>	(0.18pts)	(2.31%)	<b>(0.24%)</b>	2.07pts

**Major factors**

Positive: improvement in surrender & lapse rate, increase in sales

Negative: lower interest rates

**Major factors**

Positive: product portfolio adjustment, use of re-insurance

Negative: lower interest rates

**6**

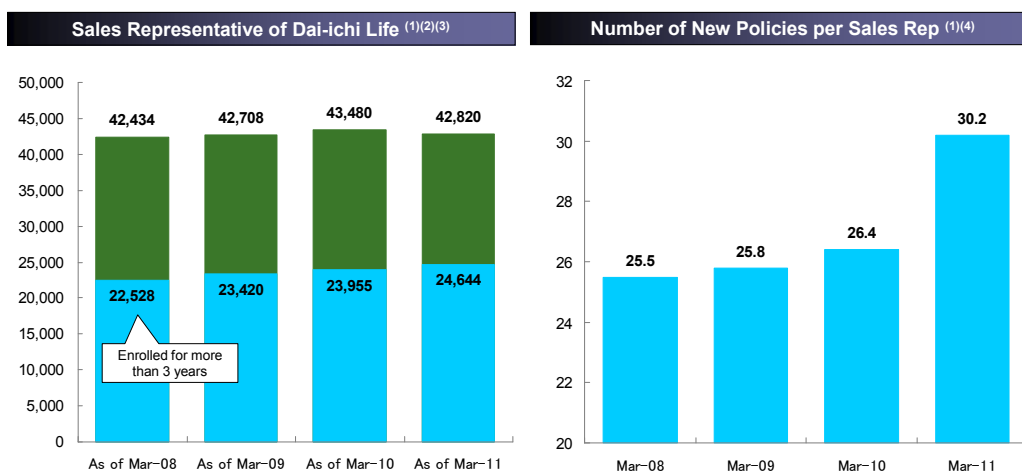
- “Value of new business” for the Group increased by 39.1 billion yen compared to previous fiscal-year-end to 158.1 billion yen. New business margin increased by 1.44 points to 5.42%.
- On a stand alone basis, “value of new business” for Dai-ichi Life improved by 22.8 billion yen, thanks to improvement in surrender and lapse rate and an increase in sales.
- “Value of new business” for Dai-ichi Frontier Life improved by 18.0 billion yen, from (18.5) billion yen last year to (0.4) billion yen. This is because adjustment of our product portfolio (including controlling risk of our flagship product using re-insurance) contributed to improvement of “time value of financial options and guarantees”. Also, new business margin significantly improved.
- From now, let me explain about our achievements in the mid-term management plan, covering FY2008 to FY2010.
- Please turn to page 8.

# **Review of Mid-term Management Plan**

## **Covering FY 2008-2010**



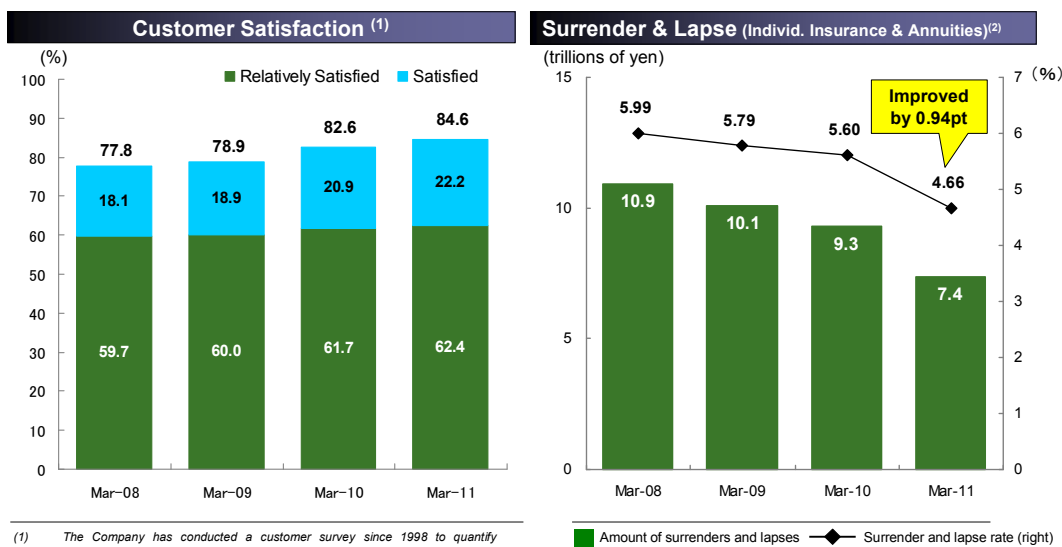
Reshaping the Core Businesses (1)



(1) Non-consolidated basis  
 (2) The above figures are non-consolidated basis and the number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary works.  
 (3) Number of sales representative who enrolled for more than three years is the figure as of April 1 at each point.  
 (4) Number of new policies (incl. conversions) as the numerator and the average number of sales reps in each period (calculated from numbers at the beginning and end of each period) as the denominator.

- Regarding Dai-ichi Life Group's core business, as one of initiatives to enhance competitiveness, we focused on strengthening the sales representative channel.
- The graph on the left shows the trend in the number of sales representatives. Since our goal is to enhance skilled sales reps who will be the core of the sales rep channel, it takes some time for them to become competent sales reps who can make proposals meeting customers' needs after rigorous training. Therefore, we believe that we need to keep a certain size of sales force, but not that an annual increase or decrease in number of sales reps directly reflects our competitiveness.
- In fact, the graph on the right shows the number of new policies per sales rep has steadily increased.
- Please turn to page 9.

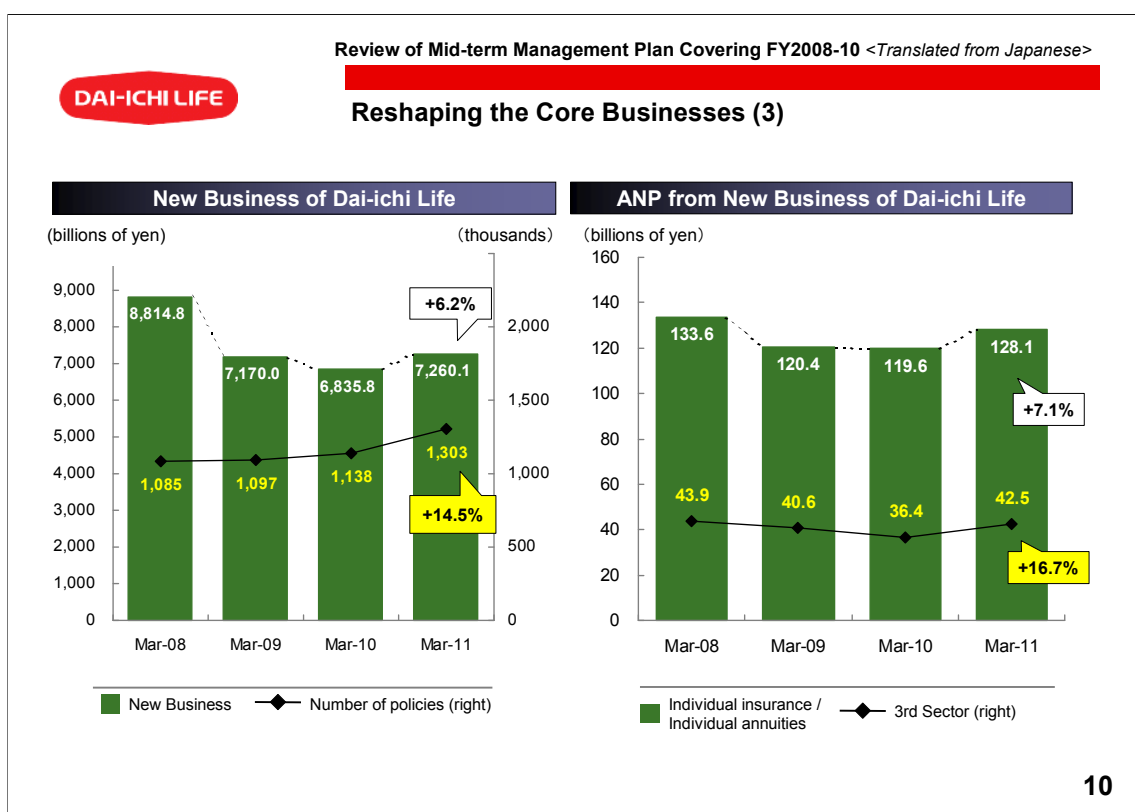
Reshaping the Core Businesses (2)



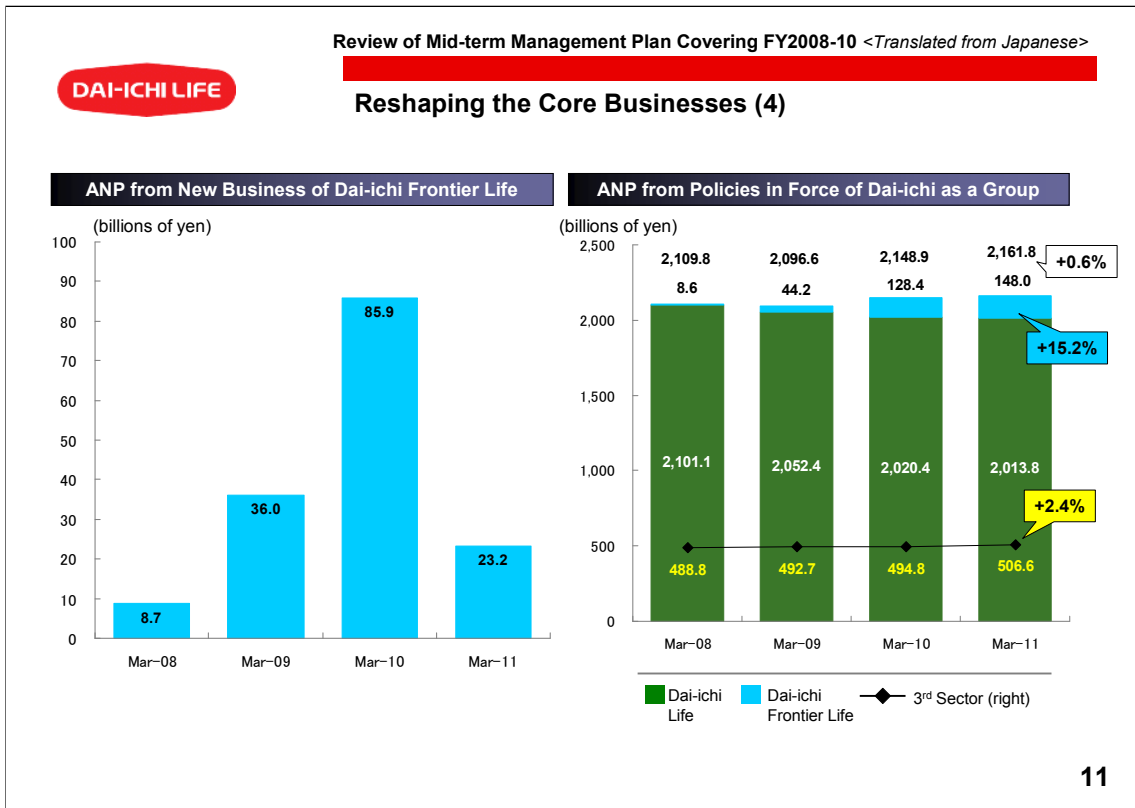
(1) The Company has conducted a customer survey since 1998 to quantify customer satisfaction. The survey consists of various questionnaires, is directed at the Company's policyholders (both individual and corporate) and is conducted by a third party. The above graph shows customer satisfaction of individual policyholders as a result of the survey.

(2) Non-consolidated basis

- Dai-ichi is the pioneer of the campaign to visit all policyholders among the life insurance industry. Although it becomes more difficult to make contact with customers due to the increase in nuclear families and double-income families and heightened security consciousness, the Company, upon demutualization succeeded in making contact with almost all customers and explaining to them about the advantages of the demutualization and necessary procedures.
- After the demutualization, the Company has kept close contact with its customers. As a result, customers' satisfaction drastically improved, and moreover, the surrender and lapse rate significantly improved.
- To maintain such a high frequency of contact with customers is Dai-ichi's inimitable strength and this is the root of our "New Total Life Plan" strategy.
- Please turn to page 10.



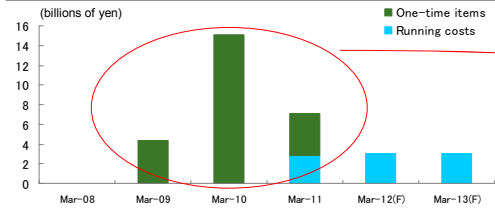
- In addition to enhancing the sales representative channel, in the fiscal year ended March 2011, Dai-ichi Life successively launched competitive new products in the market. Dai-ichi Life on a stand-alone basis increased its new business by 6.2%, returning to positive growth after a long interval. This was thanks to contribution from our new product named “Junpu Life” which was launched in Sep-10 and increased sales of single premium insurance products as interest rates fell.
- Next, the trend of annualized net premium (ANP) from new business shows 3<sup>rd</sup> sector products increased significantly. This was thanks to better-than expected sales of “Medical Yell”, Dai-ichi’s first non-participating medical insurance product launched in Jan-11. Sales of “Medical Yell” have had such a strong start that the actual sales for just a few months have exceeded the first year sales target.
- Please turn to page 11.



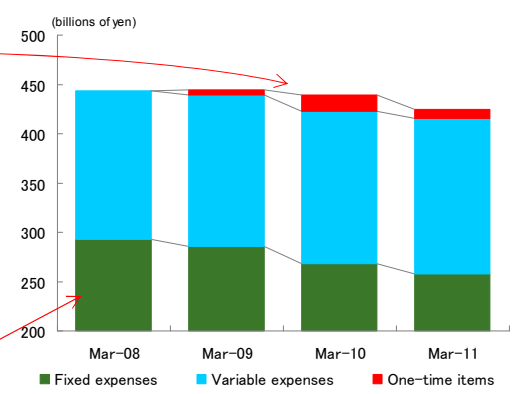
- On the other hand, new business of Dai-ichi Frontier Life's individual annuities significantly decreased, mainly due to special factors (namely, in the previous fiscal year, it experienced an extraordinary spike in sales). Additionally, in the broader bancassurance market, sales of single-premium whole life insurance significantly increased, instead of variable annuities, and Dai-ichi Frontier's decision to deliberately keep away from selling single-premium whole life taking into account future surrender risks contributed to the decrease in sales.
- For the fiscal year ended March 2011, Dai-ichi Frontier Life revised its product portfolio and expanded its product lineup, for example adding foreign currency-denominated fixed annuities, in order to steadily accumulate assets under management. As a result, annualized net premium of Dai-ichi as a group increased by 0.6% year-on-year, maintaining positive growth, pulled by growth areas such as 3<sup>rd</sup> sector and individual annuities.
- Please turn to page 12.

Significantly Exceeded Cost Efficiency Target

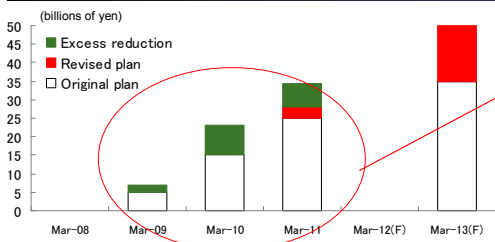
Demutualization cost



Operating Expenses<sup>(2)</sup> of Dai-ichi Life<sup>(3)</sup>



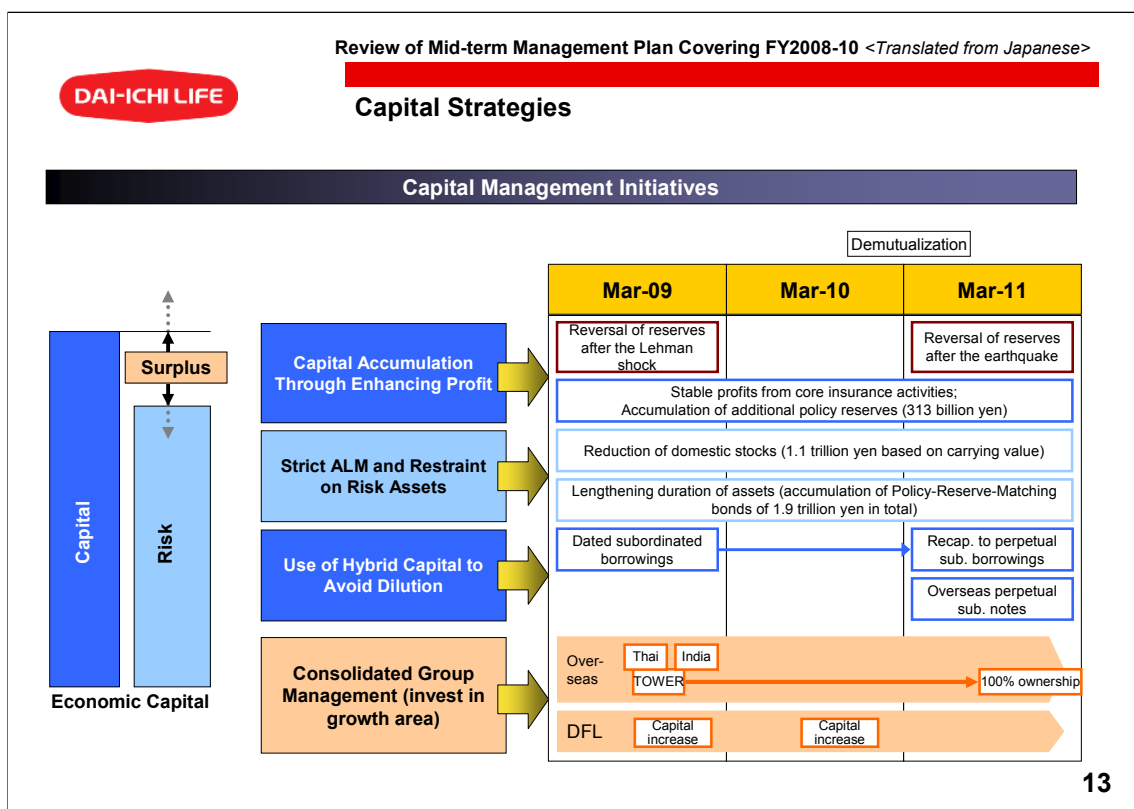
Plan to Reduce Fixed Expenses<sup>(1)</sup>



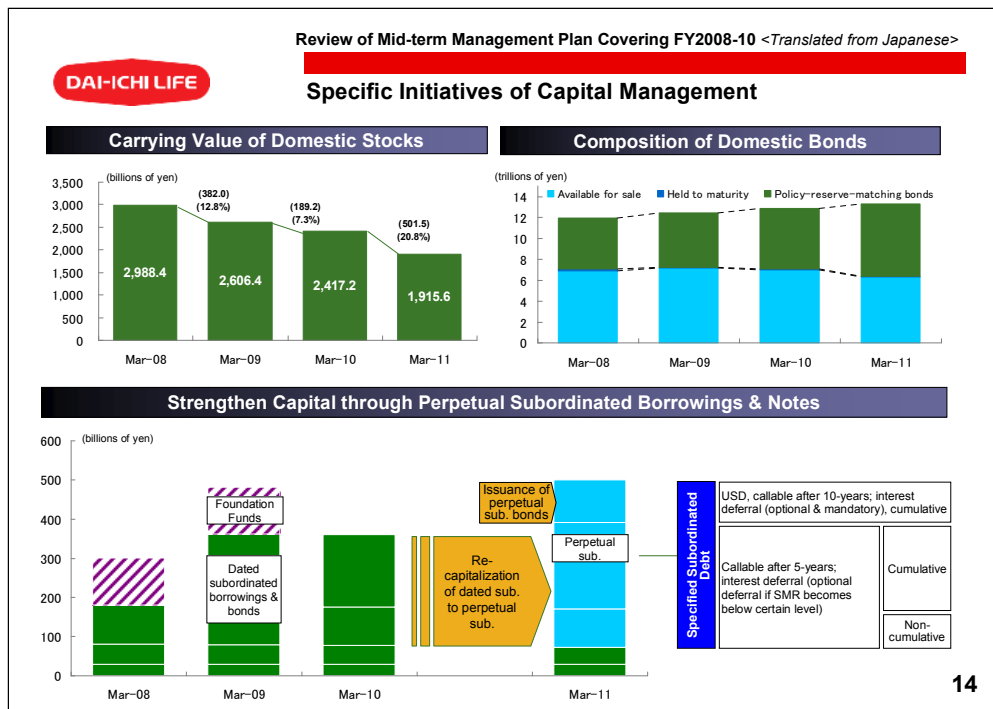
(1) Fixed expenses based on mid-term management plan are equivalent to the sum of various expenses such as the payroll costs of managers and other staffs and cost of equipment included in operating expenses, and depreciation cost included in other ordinary expenses.

(2) One-time items include demutualization cost, workplace reorganization cost, cost related to the development of next-generation IT system. Out of demutualization cost, the amounts reported at the operating expenses for the year ended Mar-09, Mar-10 and Mar-11 were approximately 4.4 billion yen, 15 billion yen and 7 billion yen, respectively.  
 (3) Non-consolidated basis

- Regarding improvement of cost efficiency, we executed initiatives such as changes in personnel system, restructuring of our branch and office network, and improving efficiency of IT investments, in order to reduce fixed costs by 35 billion yen (equivalent to 10% of total fixed costs for the year ended Mar-08) within 5-year period ending March 2013. Our definition of fixed costs related to insurance operations include(1) fixed portion of personnel costs, (2) equipment costs, and (3) amortization etc.
- As I explained to you previously, during the 2-year period ended March 2010, we achieved cost reduction of 23 billion yen. During the last fiscal year, we intensified our efforts in this area, and raised the reduction target as well. As a result, our cumulative cost reduction during the 3-year period ended March 2011 was more than 34 billion yen. In other words, we completed our cost reduction program within 3 years, rather than 5 years originally planned.
- Please turn to page 13.



- Regarding capital strategies, we carried out initiatives related to capital and financial management as shown above, including risk reduction and raising external capital.
- Unfortunately, we reversed part of our reserves as a consequence of the Lehman shock and the Great East Japan Earthquake. However, we maintained stable and ample profits from our core insurance activities, and we steadily accumulated additional policy reserves each year.
- In a moment, I will discuss about our risk reduction and use of hybrid capital in detail. Through these initiatives, we were successful in steadily strengthening our capital base, in light of the expected introduction of economic-value-based capital regulations.
- Moreover, we have aggressively invested our capital in growth areas such as bancassurance and overseas businesses, effectively allocating surplus capital generated through the initiatives I just talked about.
- Please turn to page 14.



- I will explain about specific initiatives we took related to cost reduction and use of hybrid capital.
- Firstly, as the upper-left graph shows, we reduced domestic stocks starting from the fiscal year ending March 2009. Cumulative reduction of domestic stocks (based on carrying value) during the 3-year period is close to 1.1 trillion yen, including decreases of carrying value as a result of recording losses on valuation.
- Regarding initiatives to lengthen the duration of fixed income investments, we carried out our plan to accumulate Policy-Reserve-Matching bonds when interest rates rose. The cumulative amount invested in Policy-Reserve-Matching bonds during the 3-year period is 1.9 trillion yen.
- Lastly, I will talk about use of hybrid capital. During the 3-year period, changes in the external environment included the Lehman shock, demutualization, and the introduction of the new solvency margin standard. Our initiatives during the 3-year period included (1) dated subordinated (syndicated) borrowings (during the fiscal year ended March 2009) of which the deal size was the largest for domestic life insurers, (2) recapitalization of the existing dated subordinated borrowings (including (1)) to perpetual subordinated borrowings, and (3) issuance of USD-denominated perpetual subordinated notes in overseas markets just before the earthquake. Through these initiatives, we successfully strengthened our capital base further, and obtained necessary capital for executing growth strategies in the future.
- This concludes my review of the previous mid-term management plan, and next, I will explain the new mid-term management plan, and the earnings forecast for the year ending March 2012. Please turn to page 16.

## **Medium-Term Management Plan for FY2011-2012 & Earnings Forecast for the Year Ending March 2012**



DAI-ICHI LIFE

## Impact of the Great East Japan Earthquake

## Estimate of Claims &amp; Benefits

Total amount of benefits and claims to be incurred in relation to the earthquake

**30.5 billion yen**

(including benefits and claims to be reported in the future)

Expense the amount as a component of "provision for policy reserves and others" in the fiscal year ended March 2011

(Reference)

Sum of benefits, claims and annuities for year ended March 2011<sup>(1)</sup>: 1 trillion 786.4 billion yen

## Reference

(billions of yen)

	Iwate, Miyagi & Fukushima Prefectures	Ratio vs. Japan
Dai-ichi's Sum Insured of Policies in Force <sup>(1)(2)</sup>	6,010.9	3.8%
Dai-ichi's Sum Insured of New Business & Conversion <sup>(1)(2)(3)</sup>	720.2	3.7%

(1) Non-consolidated basis

(2) Figures for the fiscal year ended March 2010, sum of individual insurance and individual annuities

(3) Gross increase by conversion (i.e., before netting out decrease by conversion)

- First, I will talk about the impact of the Great East Japan Earthquake which occurred on March 11<sup>th</sup>. We already explained about the financial impact as shown in this slide, at the conference call held on May 13<sup>th</sup>.
- In terms of physical impact on our buildings, some of our unit offices located along the sea coast were severely affected, as some were swept away or flooded by the tsunami. Even in that difficult situation, our employees in the severely affected area exercised leadership in the process of accepting relief goods from our headquarter, their distribution, and re-opening of our branches and unit offices.
- I myself visited Sendai, Morioka and Fukushima cities (in the severely affected area): our sales representatives told me with strong voices "I feel cheerful when I meet my customers" or "I want to visit my customers as soon as possible". All employees of Dai-ichi Life Group are taking various actions in order to help our customers and the employees in the affected area, which I think is the realization of our group's vision "Thinking People First". When I visited there, I was encouraged by the people in the affected area, rather than myself encouraging them.
- Please turn to page 17.

DAI-ICHI LIFE

## Actions for the Great East Japan Earthquake

## Major Actions of Life Insurance Association of Japan ("LIAJ")

Mar.	11th	Establishment of the Task Force of the Large Earthquake Countermeasures
	12th	- Extension of the grace period of premium payment up to 6 months - Simple and quick payment of benefits, claims and policy loans
	14th	Decided contribution of 300 million yen as a donation
Apr.	15th	All life insurers decided full payment of accident related benefits and claims
	1st	Initiation of the inquiry system for insurance policy within disaster areas <sup>(1)</sup>
	13th	Provide data files compiled by the Police to member companies
	19th	- Information sharing on death of insured persons among member companies - Request for disclosure of official family registry (to life insurers) fulfilled
	22nd	- Request for disclosure of residence certificate (to life insurers) fulfilled
	27th	- Further extension of the grace period of premium payment by 3 months (final due date: December 31, 2011) - Special treatment for the due date of the extended premium payment

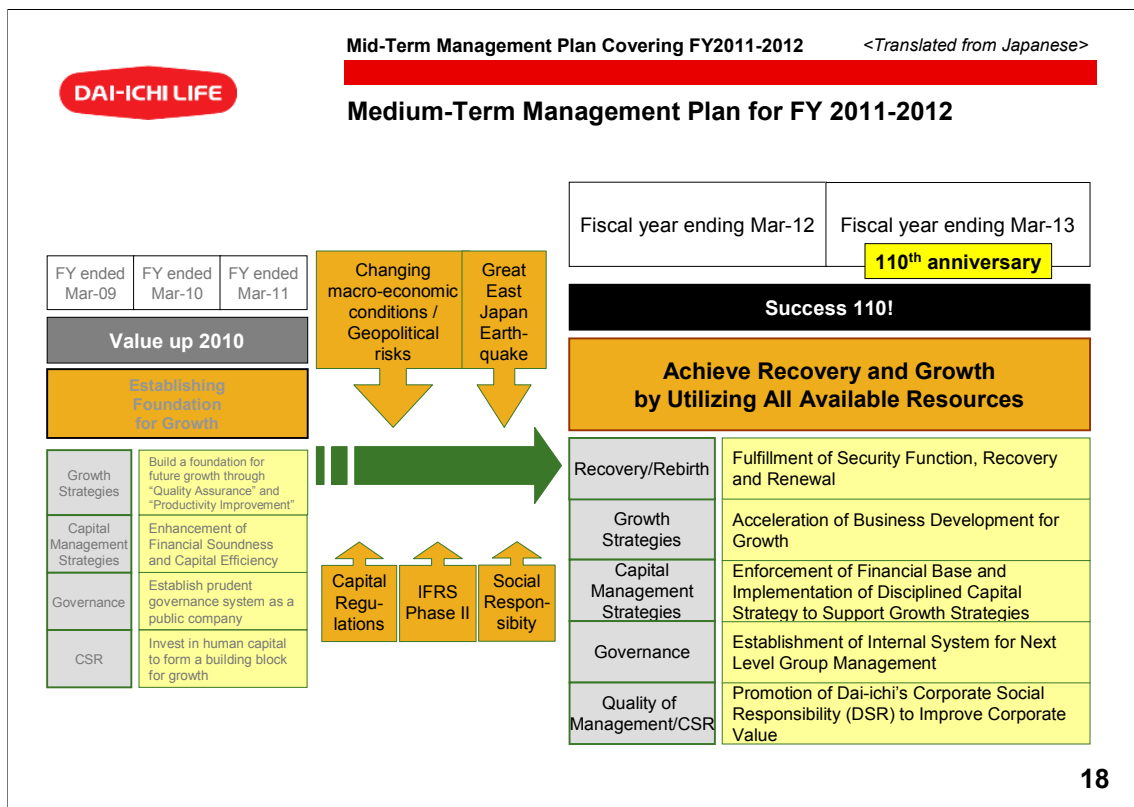
## Major Actions of Dai-ichi

Mar.	11th	Establishment of disaster countermeasures headquarters
	12th	- Extension of the grace period of premium payment up to 6 months - Simple and quick payment of benefits, claims and policy loans - Full payment of accident related benefits and claims - Aid to people in disaster areas by sending relief goods (food and water, etc.)
	14th	Aid to people in disaster areas by sending support teams (constantly sending several persons)
	15th	Contribution of 100 million yen as a donation
	16th	Application of special interest rate for policy loans
	25th	Koichiro Watanabe, President of Dai-ichi Life visited Miyagi, Fukushima and Iwate Prefectures (to Mar. 29)
Apr.	27th	- Opening of the call center operatin on Sundays and holidays 9AM - 5PM, in addition to weekdays and Saturdays - Installation of special hotline for earthquake victims (from Apr. 8)
	30th	- Treatment of deemed hospitalization - Automatic extension of the grace period of premium payment
	8th	Send consolatory letters to policyholders within disaster areas (580 thousand letters)
	13th	- Establishment of temporary customer service windows in the areas severely damaged by the earthquake, including Ishinomaki and Kesenuma City in Miyagi Prefecture and Miyako City in Iwate Prefecture - Started making outbound calls to policyholders within disaster areas
	25th	Dispatch of volunteers to disaster areas hosted by Nippon Keidanren (sending several persons each week)
May	7-8th	Search for policyholder's safety through Google Person Finder etc. (mobilizing 400 employees)
	16th-	Send several dozen employees continuously for safety confirmation of customers who are inaccessible because they live in shelters (Iwate, Miyagi and Fukushima)

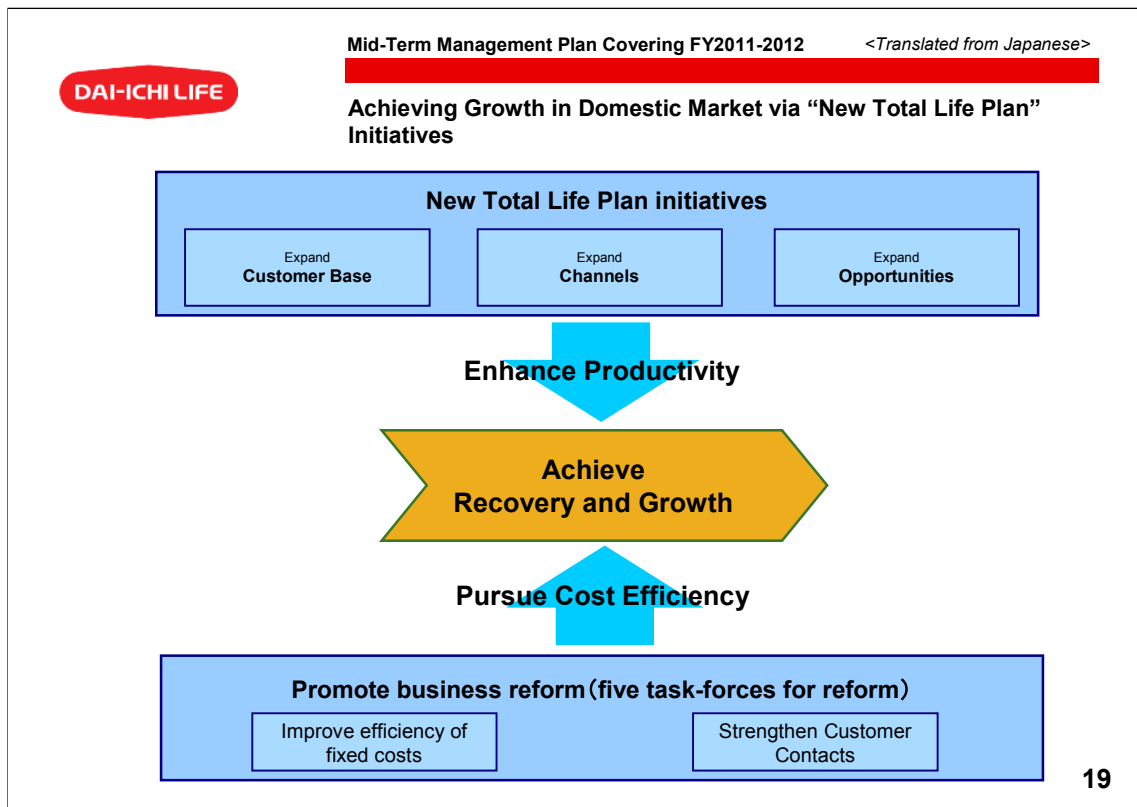
(1) In case a victim does not know to which company her/his insurance policy belong has difficulty making insurance claims, it enables her/him to identify her/his own policy by using this system, having LIAJ request each life insurance company to check whether it has such policy.

17

- As the chairman of the Life Insurance Association of Japan as well as the president of Dai-ichi Life, I executed initiatives toward recovery from the earthquake as much as possible. Industry-wide initiatives include (1) full payment of accident related benefits and claims without applying exemption of liability (2) special treatment of hospitalization, and (3) initiation of the inquiry system for insurance policy within disaster area. Our company specific initiatives include (1) opening special hotline for earthquake victims everyday including Sundays and holidays, and (2) establishing temporary customer service windows at unit offices in the severely affected area.
- Our efforts will continue: our sales representatives will visit all customers in order to (1) say get-well, (2) confirm customers' safety, and (3) provide support for making claims. We will work hard in order to visit our customers, and make payments to the families of the deceased.
- Please turn to page 18.



- With this background, I will explain about the Company's new mid-term management plan.
- The Company's basic strategy is, as the market size of the domestic death protection market (i.e., our core business) gets smaller, we will (1) strongly carry out "New Total Life Plan" initiatives in order to expand our market share and improve efficiency, and (2) invest our resources in growth areas such as the third-sector and the savings market in order to achieve growth above the market-average. Moreover, we will continue to invest in overseas businesses and asset management business as part of our growth initiatives. There is no change in the basic strategy under this new mid-term management plan.
- However, the macro economic environment in Japan has changed as a consequence of the earthquake: thus our first action item is "Fulfillment of Security Function, Recovery and Renewal" in order for the Dai-ichi Life Group to work together to overcome and recover from the earthquake, and steadily step forward toward achieving growth.
- Please turn to page 19.



- Achieving growth in the domestic market is important when we work toward recovery and renewal, and the development of our business in order to achieve growth of the Dai-ichi Life Group.
- The basic principle is “New Total Life Plan” which is our comprehensive marketing strategy. I already explained about it at the meeting held on November 24<sup>th</sup>, 2010: the key point of this principle is (1) we develop new products that appeal to new customer base, (2) we combine our resources in terms of marketing channel, and (3) we make our product proposal to our customers making use of all aspects of our contact with our customers.
- Please turn to page 20.



**Expand Scope of Customers**

		Need	Market size	Dai-ichi's customer base	Profitability	Lifetime value
Past	Core/Youth	Death/Medical	Shrink	Large	High	Medium
	Future	3rd Sector (Medical)	Expand	Expand	Medium - High	Small
		Saving-type			Low	Small
	Children	Medical	Shrink	Small	Low	Large

**First Step**  
September 2010-

**順風ライフ** “Junpu Life”, participating whole life insurance product (policyholder dividend calculated every five years)

- Lower whole life coverage . . . . . answering the needs of young population
- Term life rider can switchable to whole life rider . . . . . flexible benefit planning
- Wide selection and affordable medical rider . . . . . appeal to senior and female segment

**Second Step**  
January 2011-

**メディカルエール** “Medical Yell”

- New product integrating medical protections provided by various medical riders
- Provide Non-participating term policy (term life type) or non-participating without surrender value (whole life type) with lower premium
- Introduce “Medical Switch” (transfer to “Medical Yell”) which enables a revision of medical protection without medical examination and disclosure, while maintaining main policy and other protections

**Third Step**  
May 2011-

**TOP PLAN サクセスU+** “Top Plan Success U+” (policyholder dividend calculated every five years)

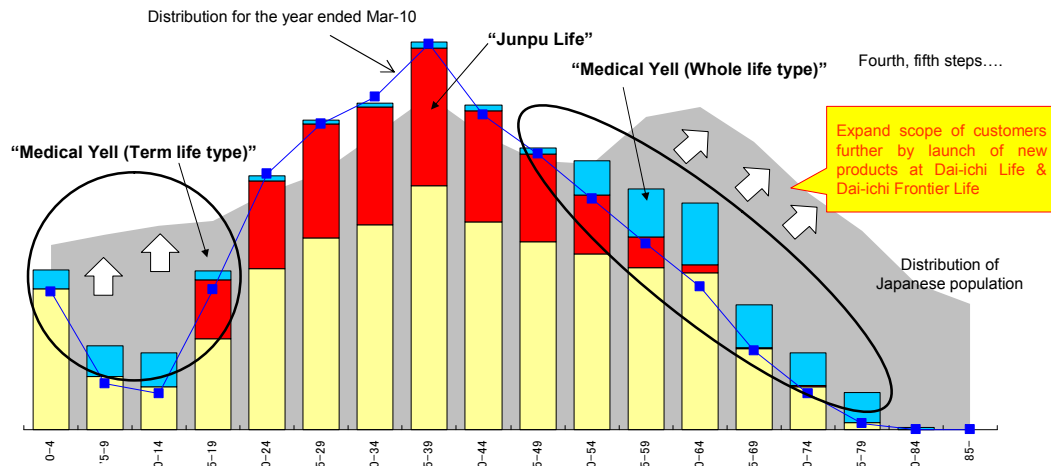
- Long-term protection (up to 99 years old) with short-term premium payment period (5, 10, 15 years)
- Insurance intended for top executive and sole proprietors

- In the past, our group sold death protection products such as “Do Do Jinsei” or individual saving products to mainly protection-heavy (i.e., core) generation and youth population. But in fact, it is an unavoidable fact that the size of that market will get smaller in the future.
- On the other hand, we think (a) seniors and (b) children have high potential, because (A) their population is expected to grow, and they have strong needs for the third-sector products and savings, (B) there is a strong need for third-sector products and expected lifetime value is high, respectively. We are expanding our main target zone to those generations by launching new products fit to them, and this is important part of our “New Total Life Plan” initiatives.
- Specific initiatives include (1) we started selling “Junpu Life” in September 2010, (2) we launched non-participating medical insurance “Medical Yell” in January 2011.
- Please turn to page 21.

DAI-ICHI LIFE

## Launch Competitive Products

## Distribution of New Business by Age of Insured Persons (for the year ended Mar-11)



21

- In this slide, the bar graph indicates the distribution by age of insured persons of our new business for the year ended March 2011. On the other hand, the line graph indicates the distribution of our new business for the prior year. You can see that both “Junpu Life” and “Medical Yell” contributed to change our distribution. We plan to launch additional products to be sold through multiple channels (4<sup>th</sup> and 5<sup>th</sup> after demutualization), targeting the growth segments.
- Currently, our sales representatives make proposals to our customers backed by company-wide collaboration, such as (1) collaborating with call center operations, (2) synchronizing with notices sent by mail, and (3) visiting customers with financial planners who can provide more professional consulting. Moreover, we are enhancing two-way communication, by making product proposals to customers who visit our face-to-face retail outlets and our unit offices.
- Please turn to page 22.

DAI-ICHI LIFE

## Initiatives for Further Improvement of Cost Effectiveness

Improve efficiency of fixed costs and enhance Group competitiveness, by continually working on changing existing business model; aim to improve efficiency equivalent to 15% of fixed costs for five years from FY2008

## Initiatives for changing existing business model

- Achieve cost efficiency and enhance customer convenience through simplification of paperwork and direct connection between customers and underwriting department in our headquarters
- Improve efficiency of the infrastructure in the workplace through the integration of branch offices and the promotion of universal design and a paperless environment
- Lead to improve the quality and profitability by allocating surplus personnel to the customer relationship business

Promote "five changes" in order to carry out above initiatives over the whole Group:

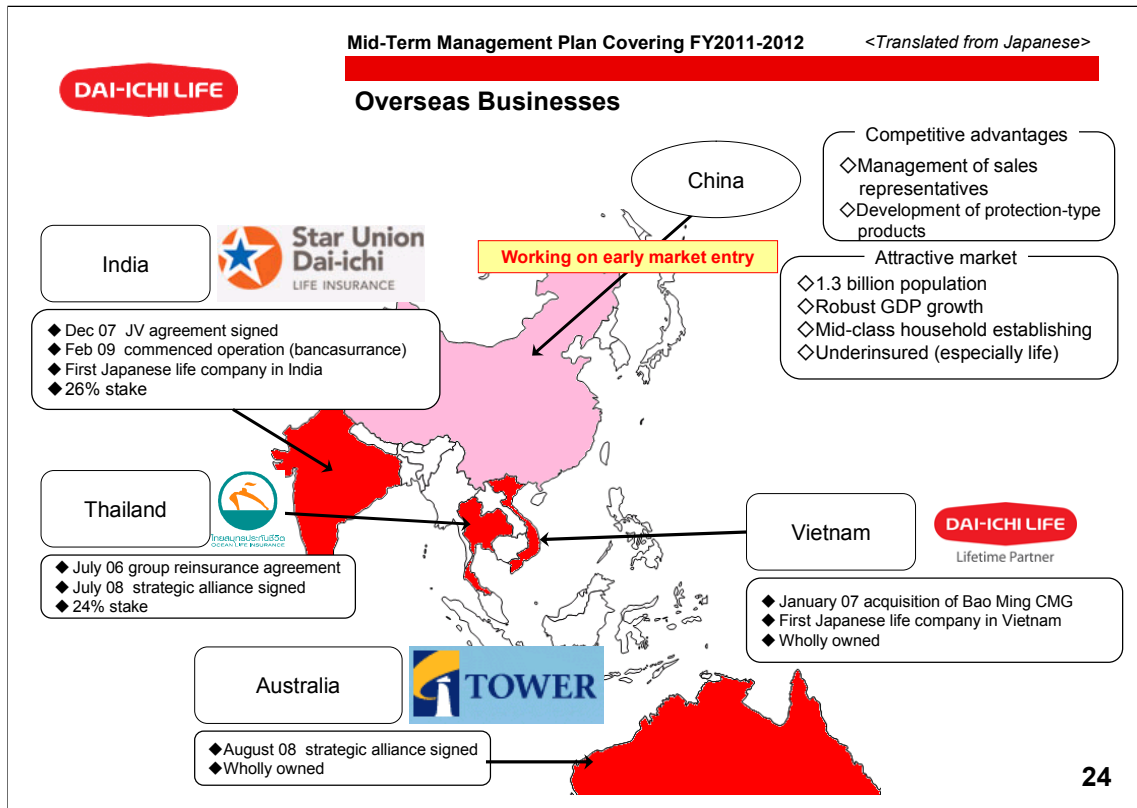
"Cost-mind Reform" project	To offer high-quality products and services for lower costs to achieve one of the Group's objectives "to become a company that offers the highest quality and the highest productivity"
"Business Operation Reform" project	To reform workflows primarily to reflect the views of customers and improve quality and productivity of administrative work with the quality control approach used in the manufacturing industry
"Business Formation Reform" project	To offer detailed services and sales consulting to customers by allocating more administrative personnel to customer contact work
"Office Infrastructure Reform" project	To redesign front-office system (i.e. business hours, location, services to be offered, etc.) to capture the needs of customers and apply "universal layout", an office layout that offers workers operating flexibility, in the headquarters
"Work-style Reform" project	Changing behaviors and awareness of each Group employee to support and promote the above projects

22

- Although we achieved our target for improving cost efficiency in the previous mid-term management plan, we intend to work further, without being content with the status quo.
- In the previous mid-term management plan, we decisively executed major initiatives. Going forward, we will raise the cost-consciousness of all of group's employees, while investing for future growth and improving customer convenience. Our new target in this area is to cut fixed costs of our life insurance business by 15%, compared to the fiscal year ended March 2008.
- More specifically, we established five cross-functional task-forces, with responsible executive officers for each task-force. For example, "Cost-mind Reform task-force" will make sure all functions are mindful of cost effectiveness through overseeing functional budgets, and set incentives in order to achieve further efficiency. "Business Operation Reform task-force" will streamline underwriting operations, whereas "Business Formation Reform task-force" will improve efficiency in terms of personnel and organizational structure. By expanding these grass-root efforts to the entire Group, we will continue to work in building a lean organization.
- Please turn to page 24.

*This page is intentionally left blank.*





- I will explain our overseas businesses.
- We will continue focusing on life insurance markets in the Asia-Pacific countries, especially China, where we can take advantage of the know how Dai-ichi Life group obtained in Japan.
- In addition, in Europe and North America, we view (1) asset management business and (2) life insurance business with certain growth potential as prospective businesses. Therefore, we will seek opportunities and consider entering into these businesses.
- Please turn to page 25.

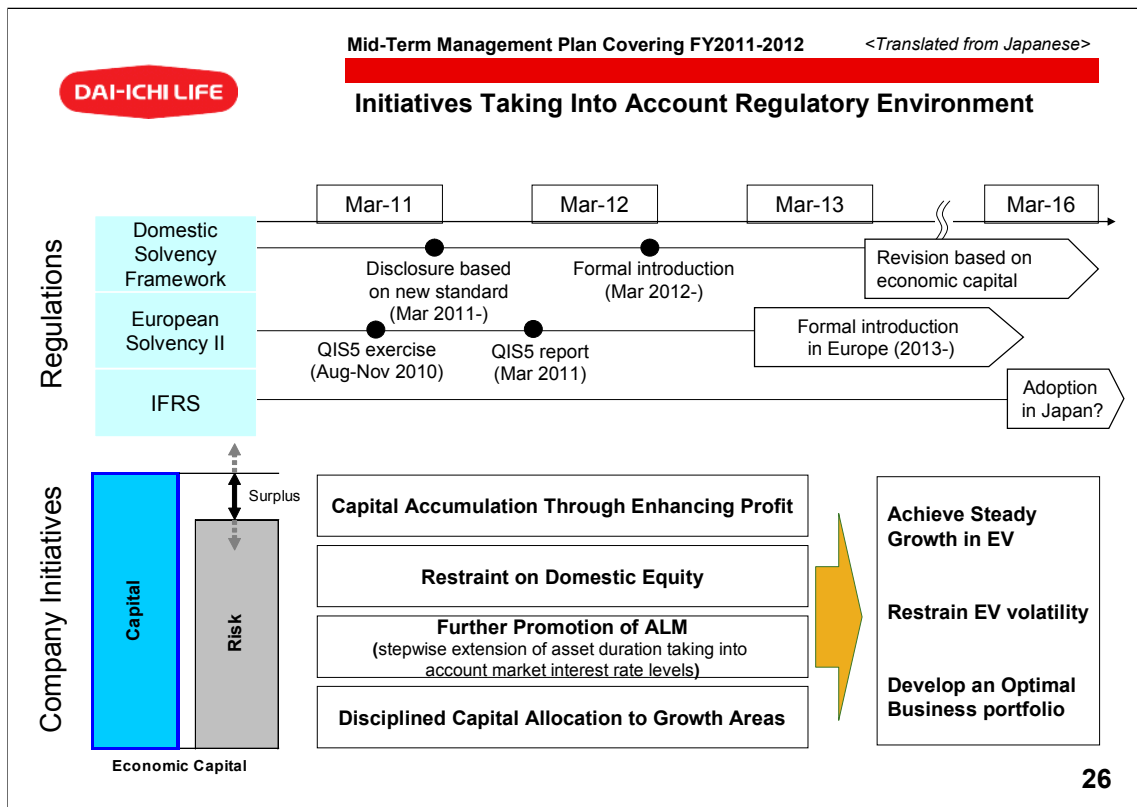
### Steady Growth in Overseas Businesses

Company Name	Premium Revenue for Fiscal Year ended Mar-11 <sup>(1)(2)</sup>	YoY	Notes
Dai-ichi Life Vietnam (Wholly owned since Jan 2007)	VND 994.7bn (4.1bn yen)	+33.7%	Market share 5.0%→5.7%→6.3%→7.2% (2007) (2008) (2009) (2010)
Ocean Life Insurance (Thailand) (24% stake, since Jul 2008)	THB 11,608mn (31.3bn yen)	+8.1%	
Star Union Dai-ichi Life (India) (26% stake, in operation since Feb 2009)	INR 7,279mn (13.3bn yen)	-	Ranked 11 out of 22 in terms of first year premium among private life insurers (for year ended Mar-11)
TOWER Australia Group Ltd. (29.7% stake in 2008; acquisition of 100% ownership in May 2011)	AUD 942mn (76.7bn yen)	+27.5%	

(1) TOWER Australia's fiscal year ends in September. Other three companies' fiscal year end in December.  
(2) Exchange rates used are as follows: 1 VND=0.0042 Yen; 1 THB = 2.7 Yen; 1 INR = 1.84 Yen; 1 AUD = 81.45 Yen.  
(3) YoY change for Star Union Dai-ichi Life (India) is not shown because this is the first full year after it started operation in Feb 2009.

25

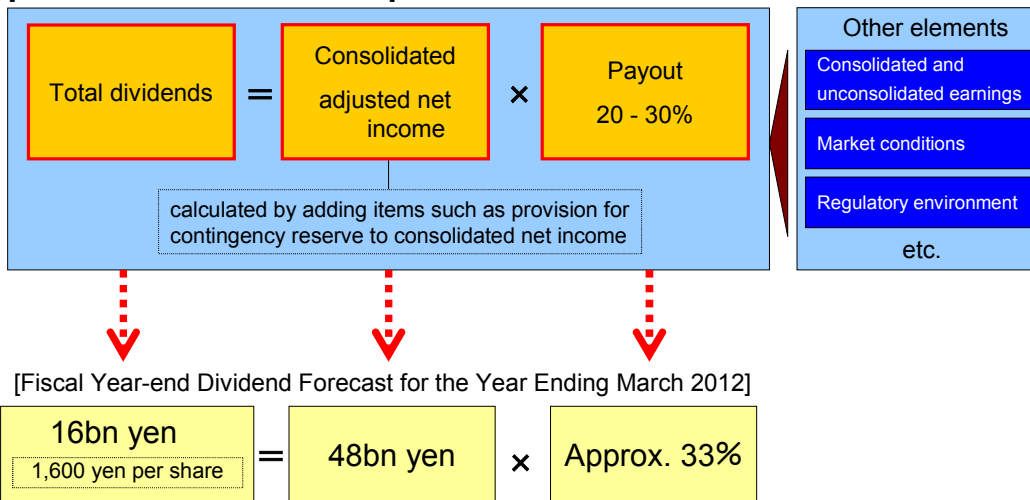
- This slide shows top-line growth of our overseas businesses. Most of the companies are maintaining double-digit year-on-year growth.
- We completed the transaction to acquire 100% ownership of Tower Australia on May 11, 2011, as scheduled. Believing Tower's growth was mainly led by its management, we will continue to delegate oversight of Tower's business development to the current management. Moreover, we will strengthen our measures to support Tower's growth, while pursuing synergy with other businesses in Asia-Pacific countries.
- Please turn to page 26.



- I will explain our capital strategies.
- Although details of the domestic and international regulations for insurance companies remain uncertain, it is highly likely that the economic-value-based regulations will be determined in 2013, and become effective (together with new accounting rules) between 2015 and 2016. Given this background, we will implement our capital and financial management initiatives, taking into account regulatory moves towards an economic capital basis.
- Specifically, we will strive to achieve steady growth in EV and restrain EV volatility by:
  1. accumulating capital through enhancing profit,
  2. reducing exposure to domestic equity and further promoting ALM, and
  3. carrying out disciplined capital allocation to growth areas.
- Please turn to page 27.

## Shareholder Return

[Basic Shareholder Return Formula]



27

- I will explain our policy on shareholder return.
- In order to conservatively secure financial soundness and capital to invest in growth areas even if stricter domestic capital regulations are to be introduced in the future, we aim to place more weight on earnings retention but, at the same time, provide stable shareholder returns over the medium- to long-term.
- We forecast a payment of 1,600 yen per share as a year-end cash dividend for the current fiscal year, unchanged from the year ended March 2011, seeking to achieve a dividend payout ratio around 20-30% based on our consolidated adjusted net income, while taking into account factors including consolidated and non-consolidated financial results, the general market environment and regulatory changes.
- In the medium-term, we will consider stock buybacks in a timely manner as part of our efforts to increase shareholder return, taking into account various factors, such as market trends and the regulatory environment.
- Please turn page 28.



### Essence of New Medium-term Management Plan (Apr. 2011 – Mar. 2013)

Increase in corporate value		8% Average ROEV*
		Consolidated net income for FY2011 (ending Mar-12): 37.0 billion yen Consolidated net income for FY2012 (ending Mar-13): Increase compared to the year ending Mar-12
Growth	Top Line	Approx. 3% growth in annualized net premium of policies in force for individual insurance for year ending Mar-13 (compared to the year ended Mar-11)
	Profit contribution	The growth businesses (Dai-ichi Frontier / overseas insurance / asset management) are expected to account for over 20% of consolidated profit in the year ending Mar-16
Efficiency		15% fixed cost reduction from FY2008 to FY2012*
Financial soundness		Reduction of domestic stock exposure/ Lengthening of asset duration
Payout		20 - 30% payout ratio

\*Estimated based on the assumption that the economic environment stays similar to the current levels

28

- This slide summarizes our New Medium-term Management Plan.
- In the last medium-term management plan, we carried out various measures to establish a foundation for growth. You can see in this slide how Dai-ichi Life Group has shifted up to the next gear to achieve growth, despite the challenges brought by the earthquake.
- Please turn to page 29.

**Guidance for the Year Ending March 2012**

(billions of yen unless otherwise noted)

	Year ended Mar-11	Year ending Mar-12 (F)	Change
Nikkei 225 (yen)	9,852 <sup>(1)</sup>	10,000	+148
JPY/USD (yen)	83.1	83.0	(0.1)
JPY/EUR (yen)	117.5	117.0	(0.5)
10-Year JGB Yield	1.25%	1.25%	±0.00%
<b>Ordinary revenues</b>	<b>4,571.5</b>	<b>4,334.0</b>	<b>(237.5)</b>
Dai-ichi Life non-consolidated	4,308.4	3,828.0	(480.4)
Dai-ichi Frontier	253.8	421.0	+167.1
<b>Ordinary income</b>	<b>81.1</b>	<b>168.0</b>	<b>+86.8</b>
Dai-ichi Life non-consolidated	78.9	178.0	+99.0
Dai-ichi Frontier	(1.1)	(19.0)	(17.8)
<b>Net income</b>	<b>19.1</b>	<b>37.0</b>	<b>+17.8</b>
Dai-ichi Life non-consolidated	16.9	32.0	+15.0
Dai-ichi Frontier <sup>(2)</sup>	(0.8)	(17.1)	(16.2)
<b>Dividends per share (yen)</b>	<b>1,600</b>	<b>1,600</b>	<b>±0</b>
(Reference)			
Fundamental profit (Dai-ichi Life non-consolidated)	275.9	around 270.0	-

(1) Average value during March.

(2) Calculated based on Dai-ichi Life's interest in Dai-ichi Frontier Life.

- I will explain about our earnings guidance for the fiscal year ending March 2012.
- As for assumptions of financial market conditions, we do not expect significant improvement, as shown in the slide. There are some uncertain factors affecting operating performance and insurance-related earnings, such as (1) potential impact from the earthquake, and (2) macroeconomic outlook for Japan. Our priority now is to make accurate and quick payments to our customers in the affected areas: consequently, we have a cautious outlook for the fiscal year ending March 2012.
- Regarding ordinary revenues, we expect “insurance and other income” of Dai-ichi Life non-consolidated to decrease year-on-year. This is because we had strong sales of a saving-type product toward end of last year, just before lowering of guaranteed interest rate of that product. On the other hand, we expect sales at Dai-ichi Frontier to pick up year-on-year, thanks to launch of new products.
- Regarding ordinary profits, we expect insurance and investment income of Dai-ichi Life non-consolidated to improve, because we had earthquake-related costs in the previous year. Finally, we expect our net income to increase, despite a decrease in ordinary revenues.
- This is the end of my presentation.



## Appendix

DAI-ICHI LIFE

## Consolidated Financial Information (summarized)

Statement of Earnings (Summarized)<sup>(1)</sup>

(billions of yen)			
	Year ended Mar-10	Year ended Mar-11	Change
Ordinary revenues	5,294.0	4,571.5	(722.4)
Premium and other income	3,704.2	3,312.4	(391.8)
Investment income	1,247.2	922.7	(324.4)
Interest and dividends	708.4	698.7	(9.7)
Gains on sale of securities	242.7	212.3	(30.3)
Derivative transaction gains	-	9.2	+9.2
Gains on investment in separate accounts	289.6	-	(289.6)
Other ordinary revenues	342.5	336.3	(6.2)
Ordinary expenses	5,105.7	4,490.3	(615.4)
Benefits and claims	2,656.9	2,711.3	+54.4
Provision for policy reserves and others	1,194.2	466.4	(727.7)
Investment expenses	340.3	444.6	+104.3
Losses on sale of securities	207.8	120.9	(86.9)
Losses on valuation of securities	7.8	179.6	+171.7
Losses on investment in separate accounts	-	40.1	+40.1
Operating expenses	475.8	434.8	(40.9)
Ordinary profit	188.2	81.1	(107.0)
Extraordinary gains (losses) <sup>(1)</sup>	(23.7)	28.4	+52.2
Provision for reserve for policyholder dividends <sup>(1)</sup>	92.5	78.5	(14.0)
Income before income taxes, etc. <sup>(2)</sup>	71.9	31.1	(40.7)
Total of corporate income taxes	17.0	12.1	(4.8)
Minority interests in income (loss)	(0.7)	(0.0)	+0.6
Net income <sup>(2)</sup>	55.6	19.1	(36.5)

## Balance Sheet (Summarized)

(billions of yen)			
	As of Apr-10	As of Mar-11	Change
Total assets	32,104.2	32,297.8	+193.6
Cash, deposits and call loans	437.3	501.9	+64.5
Monetary claims bought	289.8	291.1	+1.2
Securities	25,147.3	25,597.7	+450.3
Loans	3,834.9	3,627.9	(206.9)
Tangible fixed assets	1,244.0	1,296.1	+52.0
Deferred tax assets	339.5	477.2	+137.6
Total liabilities	31,140.0	31,566.0	+425.9
Policy reserves and others	29,204.7	29,641.9	+437.2
Policy reserves	28,632.6	29,039.4	+406.7
Reserve for employees' retirement benefits	411.4	420.0	+8.6
Reserve for price fluctuations	115.5	80.5	(34.9)
Total net assets	964.1	731.8	(232.3)
Total shareholders' equity	558.7	548.9	(9.7)
Total accumulated other comprehensive income <sup>(3)</sup>	393.6	171.1	(222.5)
Net unrealized gains on securities, net of tax	462.2	238.8	(223.4)
Reserve for land revaluation	(63.5)	(65.1)	(1.6)

(1) Although 925 million yen of the "provision for allowance for policyholder dividends" was included in the extraordinary loss for the year ended Mar-10, such amount was recorded as "provision for policyholder dividends" and so excluded from extraordinary gains (losses) in the above table.

(2) Although the Company was a mutual company for the fiscal year ended Mar-10, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

(3) "Total of valuation and translation adjustments" as of Apr-10 was recorded as "Total accumulated other comprehensive income".



## Summary Financial Statements – Dai-ichi Life non-consolidated

Statement of Earnings<sup>(1)</sup>

(billions of yen)

	Year ended Mar-10	Year ended Mar-11	Change
Ordinary revenues	4,331.5	4,308.4	(23.0)
Premium and other income	2,837.2	3,056.5	+219.3
Investment income	1,153.4	922.6	(230.7)
Interest and dividends	708.0	698.1	(9.9)
Gains on sale of securities	242.5	212.2	(30.3)
Derivative transaction gains	-	9.8	+9.8
Gains on investments in separate accounts	193.1	-	(193.1)
Other ordinary revenues	340.8	329.2	(11.6)
Ordinary expenses	4,137.9	4,229.5	+91.6
Benefits and claims	2,610.5	2,625.0	+14.4
Provision for policy reserves and others	328.2	322.5	(5.6)
Investment expenses	330.0	429.5	+99.5
Losses on sale of securities	207.8	120.9	(86.9)
Losses on valuation of securities	10.5	179.6	+169.1
Losses on investments in separate accounts	-	32.0	+32.0
Operating expenses	438.7	424.6	(14.0)
Ordinary profit	193.6	78.9	(114.7)
Extraordinary gains (losses) <sup>(1)</sup>	(23.6)	28.2	+51.9
Provision for reserve for policyholder dividends <sup>(1)</sup>	92.5	78.5	(14.0)
Income before income taxes	77.4	28.6	(48.7)
Total of corporate income taxes	16.6	11.7	(4.8)
Net income <sup>(2)</sup>	60.8	16.9	(43.8)

## Balance Sheet

(billions of yen)

	As of Apr-10	As of Mar-11	Change
Total assets	30,822.4	30,869.6	+47.1
Cash, deposits and call loans	397.6	467.1	+69.5
Monetary claims bought	289.8	291.1	+1.2
Securities	23,987.9	24,294.5	+306.6
Loans	3,834.3	3,627.4	(206.9)
Tangible fixed assets	1,243.6	1,295.8	+52.2
Deferred tax assets	337.6	475.1	+137.5
Total liabilities	29,822.1	30,103.2	+281.0
Policy reserves and others	27,896.2	28,190.8	+294.6
Policy reserves	27,324.8	27,589.5	+264.6
Contingency reserve	527.0	502.0	(25.0)
Reserve for employees' retirement benefits	409.6	418.3	+8.6
Reserve for price fluctuations	115.4	80.4	(35.0)
Total net assets	1,000.3	766.4	(233.8)
Total shareholders' equity	604.6	592.8	(11.8)
Total of valuation and translation adjustments	395.6	173.6	(221.9)
Net unrealized gains (losses) on securities, net of tax	461.1	237.5	(223.5)
Reserve for land revaluation	(63.5)	(65.1)	(1.6)

(1) Although 925 million yen of the "provision for allowance for policyholder dividends" was included in the extraordinary loss for the fiscal year ended Mar-10, such amount was recorded as "provision for policyholder dividends" and was excluded from extraordinary gains (losses) in the above table.

(2) Although the Company was a mutual company for the fiscal year ended Mar-10, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

**Summary Financial Statements of Dai-ichi Frontier Life**
**Statement of Earnings**

(billions of yen)

	Year ended Mar-10	Year ended Mar-11	Change
Ordinary revenues	961.3	253.8	(707.4)
Premium and other income	863.2	251.7	(611.5)
Investment income	97.9	2.1	(95.8)
Ordinary expenses	969.6	255.0	(714.5)
Benefits and claims	45.5	85.0	+39.4
Provision for policy reserves and other	864.0	142.7	(721.3)
Investment expenses	16.2	15.9	(0.2)
Operating expenses	38.6	10.4	(28.1)
Ordinary profit (loss)	(8.3)	(1.1)	+7.1
Extraordinary gains (losses)	(0.0)	0.2	+0.2
Income(loss) before income taxes	(8.3)	(0.9)	+7.4
Total of corporate income taxes	0.0	0.0	+0.0
Net income (loss)	(8.3)	(0.9)	+7.4

**Balance Sheet**

(billions of yen)

	As of Mar-10	As of Mar-11	Change
Total assets	1,423.1	1,566.7	+143.6
Cash, deposits and call loans	30.0	23.9	(6.0)
Securities	1,313.5	1,455.4	+141.9
Total liabilities	1,305.7	1,450.0	+144.3
Policy reserves and other	1,300.2	1,443.0	+142.7
Policy reserves	1,299.6	1,441.9	+142.3
Contingency reserve	44.7	36.4	(8.3)
Total net assets	117.4	116.7	(0.6)
Total shareholders' equity	116.2	115.3	(0.9)
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(68.7)	(69.6)	(0.9)

## Sensitivity Analysis of the Group EEV

### Sensitivity Analysis of Dai-ichi Life Group EEV

Assumptions	% change in EEV			% change in Mar-10
		Adjusted net worth	force business	
50bp upward parallel shift in risk-free yield	12%	-28%	40%	12%
50bp downward parallel shift in risk-free yield curve	-15%	27%	-42%	-15%
10% decline in equity and real estate	-11%	-11%	0%	-11%
10% decline in maintenance expenses	6%	-	6%	5%
10% decline in surrender and lapse rate	6%	-	6%	5%
5% decline in mortality and morbidity rate for life insurance products	5%	-	5%	4%
5% decline in mortality and morbidity rate for life annuities	-0%	-	-0%	-0%
Setting required capital at statutory minimum level	1%	-	1%	1%
25% increase in implied volatilities of equity and real estate values	-1%	-	-1%	-1%
25% increase in implied volatilities of	-0%	-	-0%	-0%

### Sensitivity Analysis of Dai-ichi Life (stand alone)

#### Sensitivity Analysis of Dai-ichi Life (stand alone)

Assumptions	% change in EEV			% change in Mar-10
		Adjusted net worth	force business	
50bp upward parallel shift in risk-free yield	11%	-27%	39%	12%
50bp downward parallel shift in risk-free yield curve	-14%	27%	-41%	-15%
10% decline in equity and real estate	-10%	-11%	0%	-11%
10% decline in maintenance expenses	6%	-	6%	5%
10% decline in surrender and lapse rate	6%	-	6%	5%
5% decline in mortality and morbidity rate for life insurance products	5%	-	5%	4%
5% decline in mortality and morbidity rate for life annuities	-0%	-	-0%	-0%
Setting required capital at statutory minimum level	1%	-	1%	1%
25% increase in implied volatilities of equity and real estate values	-0%	-	-0%	-0%
25% increase in implied volatilities of	-0%	-	-0%	-0%

## Sensitivity Analysis of Dai-ichi Frontier Life

### Sensitivity analysis of Dai-ichi Frontier Life

Assumptions	% change in EEV			% change in Mar-10
		Adjusted net worth	force business	
50bp upward parallel shift in risk-free yield	5%	-8%	14%	5%
50bp downward parallel shift in risk-free yield curve	-6%	6%	-12%	-6%
10% decline in equity and real estate	-0%	-7%	7%	-2%
10% decline in maintenance expenses	1%	-	1%	1%
10% decline in surrender and lapse rate	-2%	-	-2%	-1%
5% decline in mortality and morbidity rate for life insurance products	0%	-	0%	0%
5% decline in mortality and morbidity rate for life annuities	0%	-	0%	0%
Setting required capital at statutory minimum level	1%	-	1%	1%
25% increase in implied volatilities of equity and real estate values	-12%	-	-12%	-14%
25% increase in implied volatilities of	1%	-	1%	-0%

Sensitivities to Financial Markets (March 2011)

	Sensitivities <sup>(1)(2)</sup>	Breakeven Points <sup>(2)(3)</sup>
Domestic stocks	Nikkei 225 1,000 yen change: ±220 billion yen (±270 billion yen)	Nikkei 225 8,400 yen (8,700 yen)
Domestic bonds	10-year JGB Yield 10bp change: ±160 billion yen (±150 billion yen)	10-year JGB Yield 1.5% (1.6%)
Foreign securities	JPY / USD 1 yen change: ±20 billion yen (±18 billion yen)	JPY / USD \$1 = 87 yen (95 yen)

(1) Sensitivities indicate the impact of fluctuation in market value of the related assets.

(2) Figures in parentheses are as of March 2010.

(3) Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign exchange factors only, based on JPY/USD rate (assuming all are in USD).



### **Investor Contact**

The Dai-ichi Life Insurance Company, Limited  
Investor Relations Center  
Corporate Planning Department  
+81 50 3780 6930

### **Disclaimer**

Though The Dai-ichi Life Insurance Company, Limited (hereinafter "the Company") has assumed the accuracy and completeness of all information available to it in preparing this presentation, the Company makes no representation as to its actual accuracy or completeness. The information in this presentation is subject to change without prior notice. Neither this presentation nor any of its contents may be disclosed or used by any other party for any other purpose, without the prior written consent of the Company.

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements may include – but are not limited to – words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," "possibility" and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements are based on judgments made by the Company's management based on information that is currently available to it and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.