

(Unofficial Translation)
FY2011-2Q Financial Results Conference Call for Institutional Investors and Analysts
Q&A Summary

Date: November 14, 2011 18:30 – 19:30
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<Review of Operations>

Q1. Dai-ichi Life’s stand-alone annualized net premium (ANP) from new business for the 1st half increased compared to the corresponding period in the prior fiscal year. Please clarify for me how your products, Grand Road, Medical Yell and Junpu Life, respectively contributed to the increase.

A1. Medical Yell most contributed to the increase, especially in the first four months of the period, while we introduced Grand Road in August which contributed to the increase thereafter. More specifically, new business ANP increased from 61.9 billion yen in the same period last year to 62.9 billion yen for 1H FY2011. The increase included an increase in new business ANP from single premium whole life insurance (specifically, Million and Grand Road) of approximately 5 billion yen. We saw almost flat new business ANP from protection-oriented products, including Medical Yell and Junpu Life, in total. On the other hand, new business ANP from saving-oriented products (other than the single premium whole life insurance) declined, compared to the same period last year.

Q2. Page 5 of your presentation material shows the trend of new business ANP. Additionally, please indicate the trend in the number of new policies and sum insured of new business.

A2. Please take a look at page 21. As sales of third sector products increased compared to the same period last year, the number of new policies increased while sum insured of new business decreased (third sector products do not contribute to sum insured). On an economic value basis, the positive effect of the increased sales of third sector products exceeded the negative effect of decline in sales of death protection, thus showing a slight overall growth compared to the same period last year.

<Fundamental Profit>

Q3. Please indicate the breakdown of 8.9 billion yen of “Others” in “Movement Analysis of Adjusted Fundamental Profit” on page 22 of your presentation material. In addition to

the effect of the Great East Japan Earthquake, did changes in your product portfolio affect “Others”?

- A3. The 8.9 billion yen of “Others” included a 12.8 billion yen positive effect of reversal of reserve for outstanding claims. Although the item also included the negative effect of decline in sum insured of policies in force, our mortality and morbidity gains have been stable thanks to increasing sales of third sector products.

<Investment Activities>

Q4. What was the impact of sales of Euro bonds on your statement of earnings for 1H FY2011?

- A4. We reduced our investment exposure to Italy and Spain. In addition, we also sold U.S. and German bonds with increased market value. Therefore, our capital gains in total for the period were not affected negatively by the sale of foreign securities.

More specifically, as you can see on page 22 of our disclosure titled “Financial Results for the Six Months Ended September 30, 2011”, we recognized (1) gains on sale of foreign securities of approximately 65 billion yen and (2) losses on sale of foreign securities of approximately 45 billion yen, resulting in net gains on sale of foreign securities of approximately 20 billion yen. Furthermore, as you can see on page 25, our net unrealized losses on foreign bonds decreased by 60 billion yen, from approximately 65 billion yen to approximately 5 billion yen. Thus, we not only recognized positive net gains on sale of foreign securities but also improved our net unrealized gains and losses. Although we recognized slight losses associated with reduction of our exposure to Italy and Spain, the rise in the market value of the U.S. and German bonds as a result of lowered interest rates more than offset the losses.

Q5. Please indicate the duration of Euro-denominated bond exposure at the end of March and September, and the latest duration.

- A5. Current average duration of Euro-denominated bonds is approximately 6 years and it has not changed very much since March-end.

Q6. The exposure to JGBs is estimated to be increased while Dai-ichi decreased Euro-denominated bonds. However, given the low interest rate, wouldn't that negatively affect investment income?

- A6. We have not drastically changed our investment policy that we purchase JGBs while monitoring the absolute level of interest. For the first half of the year, when we purchased slightly less than 800 billion yen of super-long term bonds as policy-reserve-matching bonds, we carefully looked for the right time to invest and purchased at certain interest rate levels.

Q7. My understanding is that while decreasing your exposure to domestic stocks, you have supplemented interest and dividend income by investing in foreign bonds and hybrid securities issued by Japanese bank. As you have sold foreign bonds in the first half of the year, is it possible that you will change your mid-to long-term investment policy?

A7. As you indicated, for the first half of the year we decreased currency-hedged foreign bonds by more than 1 trillion yen. Of these bonds, we decreased relatively more Euro-denominated bonds. In the future, there is a possibility that we will accumulate yen-denominated super-long term bonds more than before, while actively monitoring interest rate levels.

<Earnings forecast>

Q8. Regarding guidance for the year ending March 2012 (presentation P15), please explain your forecast for investment income for the second half of the year.

A8. We based our forecast for investment income for the second half on the assumption that the current financial environment will last until the end of the fiscal year. Since we have recorded large losses on valuation of securities for the first half, we think it is unlikely the loss on valuation of securities increases. On the other hand, we do not expect a large gain on sales of stocks associated with the reduction of domestic stocks or on yen-denominated bonds. Although we do not expect large amounts of either capital gains or capital losses, we expect that net investment income for the second half will improve compared to the figure for the first half.

<European Embedded Value (EEV)>

Q9. Please explain the reason why value of in-force business decreased by 346.4 billion yen compared to the figure as of March end. In addition to the effect of lower interest rates, value of new business, the addition of TAL's value of in-force business and organic growth in EV, is there any effect from changes in non-economic assumptions?

A9. As the full report will be disclosed at a later date, at this moment we will refrain from commenting on the details. However, it includes some positive effect from changes in non-economic assumptions.

Q10. Regarding components of Dai-ichi Life Group's value in force, how much did "cost of holding required capital" and "allowance for non-financial risks" change compared to March 2011? I assume that the combined total decreased by around 20-30 billion yen due to a decrease in interest rates. Is that correct?

A10. The combined total decreased due to a decrease in interest rates, but the amount was less than 20 billion yen.

Q11. Please explain why the value of new business for Dai-ichi Life on a non-consolidated basis increased year-on-year.

A11. Insurance sales trend for the six months period was similar to last year's, but there was an increase due to (1) interest rates as of September 2011 were higher than one year ago, and (2) there were non-economic assumption changes. We can explain about the details once our full report on European Embedded Value is released.

Q12. If I take a ratio of TAL's value of new business (7.2 billion yen) to its new business ANP (9.2 billion yen), it seems that its profitability is high. Please explain what sort of products contribute to its value of new business. Moreover, is there a difference between contract terms of TAL's products and that of Japanese life insurers' products?

A12. As you pointed out, TAL's profitability is rather high. Roughly speaking, TAL has 3 business lines: (1) sales of individual life insurance products through independent financial advisers, (2) sales of individual life insurance products through its direct sales channel, and (3) group life. With regards to profitability, the contribution of individual life (1 and 2) is large. TAL mainly sells protection (risk) products: more specifically, it sells death protection products similar to Japan as well as income protection products. With regards to your question on contract terms of TAL's products, roughly speaking, most of TAL's products have a liability duration of less than 10 years, which is shorter than Japan.

Q13. Regarding Dai-ichi Life Group's value of new business, TAL currently accounts for a little more than 10%. Do you expect that TAL's contribution would gradually rise in the future?

A13. As you pointed out, TAL accounted for a little more than 10% of the total, which represents a satisfactory growth. Going forward, the contribution of individual life will likely be on a stable trend, while that of group life would fluctuate depending on new business acquisition. Our medium- to long-term aim is to achieve around 10% growth in TAL's value of new business.

<Capital >

Q14. Was Dai-ichi's economic capital level significantly impacted by changes in external environment since September 2011? Are there any new measures introduced, such as speeding up your existing initiatives, for example?

A14. Our economic capital is impacted by movement in interest rates. However, currently, the level of our economic capital is not so different from that as of September-end. While we intend to continuously reduce interest rate risks associated with duration gap, there is no change to our capital strategies, at this point in time. On the other hand, we are currently discussing our future

capital strategies as we look toward next fiscal year: we will communicate them to you through our investor relations activities once we are ready.

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

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