

(Unofficial Translation)

**FY2012-2Q Financial Results Conference Call for Institutional Investors and Analysts
Q&A Summary**

Date: November 14, 2012 18:00 – 19:00
Respondent: Hideo Teramoto, Director, Managing Executive Officer
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< Sales Results >

Q1. Although the annualized net premium (ANP) from new business for individual insurance and individual annuity products of Dai-ichi Life on a non-consolidated basis increased year-on-year for the three months ended June 30, 2012, it decreased for the three months ended September 30, 2012. Please explain the effect of sales of specific products. Also, please describe the outlook for sales trends for the second half of the fiscal year.

A1. The main reason for the decrease in the ANP from new business for the three months ended September 2012 is the effect of “Grand Road”, a single premium whole life product. While assumed interest rates of “Grand Road” were 1.3%-1.4% in the same period of the prior fiscal year, we have lowered the assumed interest rate taking into account the state of financial markets, and the assumed interest rate has been 1.1% since July. In the current financial environment it is difficult to set the assumed interest rate higher, and we expect sales of “Grand Road” to remain roughly at the current level during the second half of the fiscal year. However, in addition to the increase in sales of “Junpu Life”, our core product, sales of medical and survival benefit products have been recovering. We believe the ANP from new business excluding “Grand Road” will remain steady in the second half of the year. In fact, for the three months ended September 2012, the ANP from new business excluding “Grand Road” increased year-on-year.

Q2. Please explain the reason for the decrease in the amount of surrenders and lapses and your outlook for the second half of the fiscal year.

A2. In addition to improving the quality of insurance sales procedures, we have introduced various initiatives to reduce surrenders and lapses, such as providing detailed assistance to individual customers at the sales level. We believe those initiatives contributed to the decrease in surrenders and lapses. While it seems that the current level of surrenders and lapses may be nearing a floor, taking the recent trends into account, we do not expect that surrenders and lapses will increase substantially. We expect that surrenders and lapses will remain at around the current level, which we believe is relatively low, throughout the fiscal year.

< Investment >

Q3. Please explain the gains on the sale of beneficial interests which were recorded as other investment income.

A3. In the past, we engaged in the personal mortgage loan business as part of our asset management strategy. However, in the fiscal year ended March 31, 2001, in order to improve investment efficiency, we securitized approximately ¥200 billion of mortgage loans, sold senior beneficiary interests to investors, and retained the subordinated beneficiary interest ourselves. As all senior beneficiary interests were redeemed this fiscal year, there was no limitation on the sale of the subordinated portion. We sold this portion in the second quarter of this fiscal year after we completed the buyer selection process.

Q4. Have you recorded gains on sale of such subordinated beneficiary interests before in the same way you did this quarter?

A4. We have worked continuously to reduce the size of and ultimately close our personal loan business and the sale in this quarter relates to the securitization we effected in 2000. Although we have securitized personal loans several times in the past, this is the first time that we have recorded gains on sale of the beneficiary interests.

Q5. While there were gains on the sale of securities from the sale of foreign bonds in the same period of the prior fiscal year, the gains on the sale of domestic government bonds increased in the first half of this fiscal year. To estimate gains/losses on the sale of securities for the current fiscal year, would it be reasonable to expect that gains/losses on the sale of securities will result from your efforts to replace domestic government bonds?

A5. Although it depends on market fluctuations going forward, we basically plan to sell yen-denominated available-for-sale bonds and purchase policy-reserve-matching bonds to extend the asset duration, for trillions of yen during the three fiscal years including this year. In relation to such replacement of bonds, certain gains on the sale of securities could occur given the current interest rate environment. Whether we record gains on the sale of securities associated with the decrease in domestic stocks or our efforts to replace foreign bonds will depend on the market environment at the time of such sales.

Q6. The amount of foreign currency-denominated bonds without hedges increased while the amount of foreign currency-denominated bonds with currency hedges decreased. Would it be appropriate to continue to invest in hedged foreign currency-denominated bonds given the current interest rate differential between Japan and the United States. Please explain the background underlying your decisions here.

A6. Based on the current interest rate conditions in Japan and the United States, your understanding is correct. The increase in unhedged foreign currency-denominated bonds was associated with our purchase of foreign bonds with relatively high coupons, such as Australian dollar-denominated bonds, and through those operations we gained additional income.

< Operating Expenses >

Q7. Please explain why operating expenses of Dai-ichi Life on a non-consolidated basis decreased by ¥4.8 billion year-on-year. Was this decrease reflected in the forecast for the current fiscal year?

A7. We believe we have steadily decreased costs compared to our plan for this fiscal year. With respect to the ¥4.8 billion decrease, payroll costs for sales representatives increased by approximately 1 billion yen and the decrease, excluding such effect, amounted to approximately ¥6 billion. However, this also includes the effect of the decrease in one-time expenses associated with the restructuring of our offices, our response to the earthquake and energy-saving programs that occurred in the same period of the prior fiscal year, which amounted to ¥2–3 billion. We estimate that the decrease in fixed costs excluding such one-time effects amounts to approximately ¥3 billion. The main factors are the decrease in fixed payroll expenses and various decreases in other fixed costs. In order to achieve our five-year cost reduction goal, we need to reduce costs by ¥5 billion during this fiscal year. Given that we have already reduced costs by about ¥3 billion for the first half of the year, we believe we are on the right track.

< Earnings Forecast for the Fiscal Year ending March 31, 2013 >

Q8. It seems that the profit during the second half of the fiscal year may be reduced compared to the first half, as the amount of the additional policy reserves provided for during the second half will exceed that for the first half. If market conditions do not worsen going forward, would it be possible to conduct operations so as to reduce the gap between the earnings forecast and actual results, for example by slowing the pace of bond purchases or increasing the amount of the category III contingency reserve at Dai-ichi Frontier Life (“DFL”)?

A8. We expect the amount of additional policy reserves provided for the second half of the year to be 1.2 times the amount provided for during the first half, because the volume of the relevant contracts is greater in the second half of the year. Additionally, a substantial portion of fundamental profit will be allocated for DFL’s provision for category III contingency reserve and the provision for reserves for policyholder dividends. Please understand that we have not changed our earnings guidance from our original forecast because routinely occurring costs are concentrated in the second half of the year and that we do not intend to restrain or accelerate

our operations in order to adjust our results to the earnings forecast.

< Overseas Businesses >

Q9. On page 5 of the presentation material, you explained that TAL in Australia increased the new business ANP of group insurance due to the acquisition of a new group policy in July. Would it be reasonable to estimate that TAL can acquire a new group policy once every six months? Is it correct that Dai-ichi's acquisition of TAL contributes to the acquisition of the new group policy?

A9. There can be no guarantee that TAL will be able to acquire a new group policy every six months and the pace of new policy acquisition is a bit volatile. However, TAL's successive acquisition of large group policies does evidence the strength of TAL's insurance sales capabilities. Additionally, with respect to the group insurance business, the acquisition of new policies is a result of TAL's various sales initiatives and not due to an increase in new policies from Japanese companies. Please note that Dai-ichi has given advice to TAL in the areas of the management of benefit/claim payments and initiatives to reduce surrenders and lapses.

Q10. Please clarify whether TAL's strategy was to focus on group business in addition to its steadily growing retail business.

A10. TAL possesses three business lines: a) individual insurance through its independent agent channel, b) individual insurance through its direct channel and c) group insurance. Each business line has its strengths in terms of profitability, capital efficiency and growth potential and we would like to achieve well-balanced growth. We do not intend to focus only on group business.

Q11. There are concerns that Japanese group insurance is unprofitable. Is the profitability of Australian group insurance different from that of Japanese group insurance? Please explain the difference between Australian and Japanese group insurance in terms of product features.

A11. In Japan, the profitability of group insurance is indeed lower than that of individual insurance. Although profitability is not high due to low prices and because annual returns to policyholders are sourced from the majority of mortality and morbidity gains, it is not necessarily unprofitable and it contributes to our bottom line to some extent. In Australia, the profitability of group insurance is also relatively low compared to that of individual insurance, but the difference in Australia is basically smaller than in Japan. For certain products, such as income protection insurance, which is highly correlated to the macro-economic environment, income/expense may be volatile. But for group insurance as a whole, we do not believe that profitability is excessively low.

Q12. As Dai-ichi's stake in Janus reached 18%, it looks like Dai-ichi is nearing completion of its purchase of Janus stock. When will Dai-ichi include Janus's profit in Dai-ichi's consolidated results, with Janus becoming an affiliated company under the equity method?

A12. We have purchased approximately 11% of Janus' common stock and, including stock options, our stake is approximately 18% (upon exercise of the options). We will make Janus an equity method affiliate at the end of this fiscal year at the earliest, and when we do so we also intend to dispatch a director to Janus. Under these circumstances, it is possible that Dai-ichi will include Janus's profit for the three months ending March 31, 2013 in Dai-ichi's consolidated profit for the three months ending June 30, 2013.

Q13. Dai-ichi sold its stock in Shin Kong Financial Holdings, which amounted to ¥50 billion. Please explain the effect of the sale on Dai-ichi's financial results for the first half and second half of this fiscal year.

A13. During the last fiscal year we already wrote down the stock of Shin Kong Financial Holding. After that, during both the first half and the second half of that year we sold the stock through block-trades. Although we recorded a slight loss on the sale of securities at that time, it did not significantly affect our results.

< EEV >

Q14. Please explain the effect of changes in interest rates on EEV.

A14. The 10- to 20-year yield curve made a 10bp-20bp parallel shift, although the extent of the shift varied slightly. Also, the yield curve over 20-year was generally flat. The breakdown of the ¥176.6 billion decrease in EEV is: a) the effect of interest rates amounting to approximately ¥(80) billion (excluding the impact arising from the fact that interest rates did not rise as implied by the forward curve used in the calculation of EEV as of March 31, 2012 EEV), b) the effect of a decline in the price of stock holdings amounting to ¥(160) billion and c) the value of newly acquired business amounting to ¥80 billion.

Q15. Please explain the reason for the ¥1.1 billion decrease in DFL's value of new business.

A15. Approximately ¥1 billion of the decrease is the effect of interest rates. Because the variable annuities that DFL currently sells are fully hedged, changes in the financial environment will not affect profitability. On the other hand, for yen-denominated and foreign currency-denominated fixed annuities, which have been DFL's main products since the previous fiscal year, those annuities' value of in-force business and value of new business tend to be sensitive to decreases in the margin associated with lower interest rates.

Q16. Please explain why the value of new business of Dai-ichi Life on a non-consolidated basis increased year-on-year.

A16. The main reasons are the changes in non-economic assumptions and the effect of the decrease in corporate taxes. Regarding the changes in non-economic assumptions, as the surrender and lapse rate for the fiscal year ended March 31, 2012 reflected a historical average for the calculation of the value of new business for the six months ended September 30, 2012, the positive effects of continually improving surrender and lapse rates were reflected in the EEV calculation. Additionally, there was another positive effect due to the decrease in corporate tax rates which was not reflected in the EEV calculation for the same period during the previous fiscal year. On the other hand, the future increase in the consumption tax rate had a slightly negative effect. In terms of organic sales results excluding those factors, there were positive effects due to cost reduction and slightly negative effects resulting from changes in our product portfolio. As a whole, the value of new business did not substantially change year-on-year.

Note: We made partial additions and alterations in preparing the above summary for clarity.

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