

(Unofficial Translation)
Financial Analyst Meeting for the Six Months Ended September 30, 2012
Q&A Summary

Date: November 20, 2012, 10:00 a.m. – 11:00 a.m.
Respondent: Koichiro Watanabe, President and Representative Director
The Dai-ichi Life Insurance Company, Limited (the “Company”)

< Overseas Business / M&A >

Q1. Your entrance into the overseas asset management business, which Dai-ichi has considered as a growth area, finally was realized through your investment in Janus. Please explain your plans for M&A in the future, taking into account the diversification of insurance underwriting risks.

A1. The keys to success will be to increase our overall percentage of overseas insurance businesses and to diversify risks while controlling the impact of domestic market risks. For M&A involving insurance businesses, while our core focus is securing growth opportunities in emerging countries in Asia and Oceania, we plan to work toward geographical diversification more than ever before. Specifically, we will consider opportunities in areas where insurance markets are growing, even in developed countries.

At the same time, from an asset management perspective, control of market risks, including risk asset management, will be another important issue. Because DIAM Asset Management, an affiliated company in the domestic asset management business, primarily focuses on pension management and separate account asset investment, we would like to diversify risks and improve investment skills in another area, namely general account asset investment, using the know-how acquired through our investment in Janus.

Q2. In relation to your investment in growing overseas insurance businesses, you explained that you will work to geographically diversify insurance underwriting risks. As the Asian insurance market is less profitable than the Japanese market, please explain how you will take advantage of this geographical diversification.

A2. In the Asian market, we will mainly strive to “start small and let it grow.” Our wholly-owned subsidiaries TAL in Australia and Dai-ichi Life Insurance Company of Vietnam have high top-line growth potential. Although currently they are relatively small, we hope TAL will achieve a certain meaningful scale in the near future.

In connection with the formulation of our next medium-term management plan, we will appropriately evaluate geographical diversification while also reassessing each country’s

demographic structure and the economic outlook, including deciding whether to enter into developed countries such as the United States.

Q3. Please explain the impact of the growth of your investments in overseas markets on the product portfolio of the Dai-ichi Life group.

A3. We do not intend to focus on a specific product portfolio with respect to our investments in overseas businesses. When investing in growth areas, we will decide whether to leverage our experience in mortality and medical protection based on a product portfolio suitable to the characteristics of each country, including the relevant social security system.

< Outline of the New Medium-term Management Plan >

Q4. On page 19 of your presentation materials, you mentioned “top-line growth through group synergies.” However, it seems, for example, that TAL in Australia has achieved stable business results through its own managerial efforts. Please explain what synergistic effects you expect to realize within the Dai-ichi Life Group.

A4. Based on the “Group management headquarters” framework we established in May of this year, we have promoted cooperation in various fields such as the Group’s risk management and capital strategies. For TAL, we believe sharing know-how through communication between Dai-ichi Life and TAL has helped us achieve certain results. To further leverage the potential for synergy within the Dai-ichi Life Group, we would like to enhance the initiatives led by the Group management headquarters in the next medium-term management plan.

Q5. On page 20 of your presentation materials, you state that you will accumulate core capital to achieve your goal of a 99.95% confidence interval. Please explain the relevant background of your decision to set the goal at 99.95%.

A5. This is the result of taking into account both international standards and future regulatory trends. The timing of the introduction of economic value-based capital regulations in Japan has not yet been specified and it is possible that the introduction will be delayed as a result of the delays in the introduction of IFRS in Japan. Nonetheless, we believe we should proactively respond to these possible regulatory changes going forward.

Q6. Do you believe there is a possibility that capital regulations adopting a 99.95% confidence interval will be introduced in Japan? Alternatively, are you aiming to reach a higher confidence interval than what is necessary pursuant to domestic regulations because you are considering international comparisons, as it is possible that international insurance companies will be determined to be “IAIGs” (Internationally Active Insurance Groups), and also because there are many major overseas insurance companies which manage their capital using a 99.95% confidence interval?

A6. As a life insurance company actively expanding overseas businesses, we believe we should consider a capital level that will not compare unfavorably with major overseas insurance companies. Meanwhile, we recognize that the timing of the introduction of economic value-based capital regulations in Japan and the contents of such regulations are not clear at the moment.

Q7. Regarding Dai-ichi Life's capital level, you have explained that "we maintain a generally adequate level of capital at a 99.5% confidence interval." However, there is concern that your capital level will decrease after the redemption of dated subordinated debt, which is assumed to be accounted for as core capital. Also, taking into account the higher risk exposure of Dai-ichi Life compared to that of other domestic and overseas life insurers, if you were to adopt Market Consistent Embedded Value (MCEV) instead of European Embedded Value (EEV), it appears that your capital level would decrease. Please explain how Dai-ichi Life's capital level should be evaluated.

A7. Regarding our risk exposure and capital level, we would like you to evaluate the results of our initiatives during the two-year period under our current medium-term management plan ending March 2013. Since we have worked to promote our capital strategies while taking into account the factors you noted in your question, we have substantially improved our capacity to control risks compared to two years ago, while overcoming various market risk factors. As a consequence, setting our goal for a 99.95% confidence interval is our message to further enhance our management of risk and capital while taking international standards into account in advance.

Regarding our internal capital management model, we include items which are eligible to be accounted for as core capital based on concepts similar to the "Solvency II" framework and we have not included dated subordinated debt as core capital. Also, we recognize that the results of MCEV may depend on how various factors, such as liquidity premium, are set, and we would like to continue our evaluation of this issue, including the technical points.

Q8. Please explain whether Dai-ichi has adequate capital to act as a buffer to support its growth investments under the next medium-term management plan.

A8. As we are in the process of establishing our next medium-term management plan so as to maintain adequate flexibility for growth investments while improving our capital level, we will provide details on this point when we announce the next plan in detail.

Q9. My understanding is that Dai-ichi Life has a somewhat restrained shareholder return policy, which is based on certain rules. Please explain your thinking in regards to the shareholder return policy in the next medium-term management plan, including with

respect to dividends to shareholders or stock buybacks.

A9. We must decline to comment at this time as your question relates to an important matter in the next medium-term management plan. Generally, we believe stable shareholder return is of the highest importance and accordingly how to return profit to our shareholders will be another important issue.

< Investment >

Q10. Due to your reduction of domestic stocks, interest and dividend income has decreased. Please explain your plans for asset allocation in order to earn an investment yield exceeding the assumed rate of investment return.

A10. Your question relates to how to overcome the negative spread problem. In order to overcome negative spread, we have worked to accumulate additional policy reserves so that we can control liability costs. On the investment side, it is important to control market risks and we will examine ways to improve investment efficiency. For example, it is difficult to earn an investment spread while securing liquidity in the domestic corporate bond market. Therefore, we would like to focus on additional investment return from overseas credit markets, principally the United States, based on appropriate risk taking. Also, we will strive to improve our research skills in overseas markets in the mid- to long-term by leveraging our relationship with Janus.

< Product Design >

Q11. In France and Germany there are cases where the assumed interest rates decline almost to zero. Please explain whether you have the option of setting the assumed interest rate below the statutory interest rate in terms of reducing liability costs.

A11. Before launching new products, it is necessary to obtain approval from the appropriate regulatory agencies regarding the product's features, including the assumed interest rate. As in the past, we expect to structure our product portfolio taking into account the statutory interest rate. Additionally, we will bear in mind the decline in liability costs associated with the decline in the statutory interest rate as we formulate the next medium-term management plan.

< Domestic Sales Channel Strategy >

Q12. In the domestic life insurance market, the share of sales channels such as physical retail insurance shops, which differ from the sales representative channel (Dai-ichi Life's core channel), has grown to a meaningful level. Please give your opinion on recent changes in the insurance market and consumer behavior.

A12. As you pointed out, we feel that large-scale sales outlets offering products from several insurers may secure a certain market share in terms of sales in the domestic life insurance market. However, we recognize that their business is based not only on an agent's fee, but also

on various incentive fees, including rebates, and it is necessary to objectively analyze the rationality of this business model.

In terms of channel strategy, we believe our challenge is determining how to leverage our existing business resources. Sales representatives, our main channel, possess a strong capacity for selling insurance products and the profitability of their products is high. Additionally, we have various channels, such as the sales counter in our branch offices and unit offices, call centers, financial planners, relationship managers for corporate clients, and our currently-expanding insurance consulting counters (Dai-ichi Insurance shops). We believe we can further display our strength by enhancing cooperation between those channels. As there is currently potential for improvement in terms of cooperation among our sales channels, we would like to achieve an optimal channel portfolio so as to maximize our channels' potential.

Recognizing these factors, it is important that, in the next medium-term management plan, we (a) continuously research large-scale insurance agents to see what kind of customer needs they fulfill and (b) reach customers in the areas that our channels cannot currently reach.

< EEV >

Q13. The impact of the decline in interest rates on EV is approximately 80 billion yen. However, as a result of my own trial calculation of the impact of interest rates which takes into account the change in the yield curve from March 2012 to September 2012, the impact appears to be less than 80 billion yen. Please explain the possible reasons for this gap.

A13. In terms of the comparison of EV between March 2012 and September 2012, the extent of the fluctuations in the interest rates for “less than 10 years,” “10-to 20 years” and “more than 20 years” are varied. Additionally, the fact that cash flows from both assets and liabilities are concentrated in certain periods may affect the calculation of the actual EV, as compared to a trial calculation such as you mention. Overall, please understand that the change in yield was approximately 10 basis points.

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

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