(Unofficial Translation)

FY2013-1Q Financial Results Conference Call for Institutional Investors and Analysts

Q&A Summary

Date: August 9, 2013 19:00 – 20:00

Respondent: Seiji Inagaki, Executive Officer
General Manager, Corporate Planning Department
The Dai-ichi Life Insurance Company, Limited (the “Company”)

< FY2013-1Q Financial Results>

Q1. Please discuss consolidated adjusted net income for the three months ended June 2013.

A1. The contingency reserve of 18 billion yen that the Company provided in the 1st quarter is beyond the statutory minimum and therefore is taxable. The consolidated adjusted net income for the quarter is approximately 39 billion yen, which is the sum of the 18 billion yen contingency reserve on an after-tax basis and consolidated net income of 26.3 billion yen.

< Sales Trends >

Q2. Please discuss the year-on-year decrease in new business annualized net premium (ANP) of individual insurance and annuities, excluding third sector products and single premium whole life products.

A2. The decrease was slightly less than 30%. The rise in premiums also caused a decrease in sales of savings-type products such as individual annuities and endowment insurance.

< Investment >

Q3. You stated that the decrease in the Company’s negative spread is mainly attributable to the increase in interest and dividend income. Please explain the breakdown of these factors.

A3. The 20.1 billion yen increase of interest and dividend income is mainly derived from securities. Increases in interest and dividends from: (1) domestic bonds and stocks together accounted for more than 20%; foreign securities accounted for more than 40%, out of which foreign bonds accounted for approximately 90%; and (3) other securities including mutual funds accounted for a little less than 40%. Out of all the above put together, the positive impact of yen depreciation exceeded 10 billion yen.

Q4. Please provide the average duration of your assets and liabilities as of June 30, 2013 and the effect of accumulating policy-reserve-matching bonds.

A4. The average duration of our assets and the average duration of our liabilities were approximately 14.5 years and slightly more than 18 years, respectively, close to those as of March 31, 2013.

To increase the average duration of our assets we accumulated approximately 500 billion yen in policy-reserve-matching bonds for the 1st quarter in our portfolio for individual insurance and annuities. However, due to increases in domestic interest rates, the overall asset duration stayed at the same level.

Q5. During the Q&A session at the financial results conference call held on May 15, 2013, you commented "Provided that interest rates continue to be at the current level, or become higher, we think that we can resume purchasing bonds at as similar pace as we used to do." Given that current interest rates are similar to rates at that time (May 15), please explain your current position on purchasing super long-term bonds.

A5. Current interest rates are almost the same as those at the time of the previous conference call, and therefore we are purchasing super long-term bonds.

Q6. Please provide the breakdown of capital gains/losses of the Company. Also, please indicate your progress toward the FY2013 forecast.

A6. The breakdown of our 79 billion yen of gains on sales of securities is: 30 billion yen from domestic bonds; 40 billion yen from foreign securities; and 8 billion yen from domestic stocks. Nearly 90% of gains on sales of foreign securities were derived from foreign bonds.

At the beginning of FY2013 when we formulated our annual forecast, the prospect of purchasing and selling domestic bonds was unattractive due to lower interest rates. Therefore, we anticipated that our initiatives for increasing the average duration of our assets would progress slowly, and accordingly we estimated gains on sales of securities conservatively. In actuality, thanks to the increase in interest rates, we actively purchased and sold domestic bonds and also actively managed foreign bonds exposure. As a result, gains on sales of securities for the 1st quarter exceeded the original forecast for the quarter, and accordingly we demonstrated increased progress toward the annual forecast.

Q7. Compared to the same period in the previous fiscal year, the Company recorded substantial capital gains. Supposing capital gains continue to increase throughout FY2013, please indicate whether you are considering increasing the provision for additional policy reserve to a level above your original plan.

A7. Increasing the provision for additional policy reserve is one of our options, but we are not contemplating doing so at this time. Following our original plan, we will steadily provide for additional policy reserve during the remaining three-year period of our intensive accumulation program, which ends March 31, 2016.

< Fundamental Profit / Negative Spread>

Q8. Please explain whether you expect that the negative spread will continue to decrease at a pace close to that of the 1st quarter.

A8. Thanks to recent improvements in the market environment, the negative spread for FY2013 is expected to decrease from the 611 billion yen we recorded in the previous fiscal year. However, the decrease in negative spread for the 1st quarter is partially attributable to one-time factors such as dividends from mutual funds which we do not regularly receive in the 1st quarter. Therefore, we anticipate that the decrease in negative spread for FY2013 will be less than the product of multiplying the 1st quarter decrease (1.2 billion yen) by four.

Q9. You indicated at the previous conference call that the Company plans to provide 125-130 billion yen for provision for additional policy reserve for FY2013. For the 1st quarter, you provided 24.8 billion yen, which is approximately 20% less than one fourth of your annual plan. Do you plan to provide more in the 2nd, 3rd or 4th quarters?

A9. We provide additional policy reserve for those whole life insurance policies which were acquired on or before March 31, 1996 and for which premium payments are completed. Premium payments are generally completed in the same month the policy becomes in-force. Therefore, additional policy reserve for the policies acquired in the 1st quarter is provided in 1st quarter. As we usually recognize increased sales in the 2nd and 3rd quarters, we plan to provide a greater additional policy reserve in those quarters.

Q10. Please provide additional detail with respect to ‘Increase in operating expenses’ and ‘Others’ in the ‘Movement Analysis of Adjusted Fundamental Profit’ of the Company in page 18 of the presentation material.

A10. The 10 billion yen increase in operating expenses is due to a year-on-year difference in the reversal of reserve for bonuses, a rather technical accounting factor. We reduced fixed costs by 2 billion yen during the 1st quarter as a result of our cost-reduction initiatives under our medium-term management plan ‘Action D’. Please note the reduction includes not only a decrease in operating expenses, but also a decrease in depreciation expenses. ‘Others’ does not reflect any substantial increase/decrease.

Q11. The Company’s negative spread improved significantly. Supposing the Company recognizes a positive spread due to further yen depreciation, would you plan any changes to your intensive accumulation program of providing additional policy reserve.

A11. The purpose of providing additional policy reserve is, through accumulating policy reserves for insurance policies which were acquired in the past with high assumed rates of return, to bring down the assumed rates of return of such policies to 2.75% for subsequent years. Therefore, at this time we do not plan to change the program based on short-term investment results.

< Dai-ichi Frontier Life (DFL)>

Q12. Regarding DFL, you explained that "A rise in the stock market through late May increased the net asset value of variable annuities sold in the past and triggered a GMMB step-up. Subsequently, the market correction, which lasted through the end of June, resulted in the provision for policy reserves related to GMMB risks." Please explain whether DFL has to provide further for policy reserves related to GMMB risks going forward, in case the GMMB increases (GMMB step-up) due to a rise in the stock market during a period and then the stock market plunges by the period-end.

A12. In such case, it is likely that DFL would provide for policy reserves related to GMMB risks. However, a certain portion of the provision is hedged. In addition, if market conditions continue to improve, DFL is expected to reverse policy reserves related to GMMB risks for which DFL provided in this quarter.

< European Embedded Value >

Q13. Please indicate the Group's value of new business (VNB) for the 1st quarter.

A13. We believe VNB for the 1st quarter was less than one-quarter of VNB for the fiscal year ended March 2013, due in part to seasonal effects. We recognized the positive impacts of an improvement in our new business margin after we raised premiums in April and the rise in interest rates during the 1st quarter. However, these were more than offset by the negative effects of the decrease in sales volume, as represented by an approximately 20% decrease in Dai-ichi Life's new business ANP. As a result, the Group's VNB decreased by a single digit percent year-on-year.

The decrease in sales was most pronounced in April, during which period new business ANP of Dai-ichi Life decreased by 40% year-on-year. However, in May and June, the decrease in new business ANP improved to a single-digit percent. Additionally, sales of protection-type products have been recovering to a level comparable to that of last year. Therefore, we believe the negative effect of the rise in premiums will be diluted gradually toward the end of March 2014.

Moreover, taking into account changes in the EEV non-economic assumptions to reflect a reduction in fixed costs and an improvement in the surrender and lapse rate, we believe we can expect the positive impact of these changes towards the fiscal year-end.

Q14. Please explain whether you changed the non-economic assumptions to reflect the increase in claims of TAL's income protection products for calculating TAL's EEV as of June 2013. If not, please indicate the negative impact of such a change to these assumptions.

A14. Since we have not changed our non-economic assumptions from March 2013 in calculating EEV as of June 2013, EEV as of June 2013 reflected the increase in claims through the end of March. As TAL periodically revises non-economic EEV assumptions taking into account long-term trends, we believe the short-term increase in claims will not significantly impact its EEV.

Additionally, TAL normally revises the pricing of individual insurance every year (many of TAL's individual insurance products are renewed once a year) and group policy terms once every three years. When making such revisions, TAL incorporates the latest trends of worsened claims experience in its new premiums. Accordingly, we do not expect TAL's profitability to deteriorate significantly.

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