(Unofficial Translation)

Financial Analyst Meeting for the Fiscal Year Ended March 31, 2016

Q&A Summary

Date: May 23, 2016, 15:30 – 16:30

Attenders: Koichiro Watanabe, President and Representative Director
Seiji Inagaki, Managing Executive Officer, General Manager, Corporate Planning Department
Kenji Nishimura, General Manager Investor Relations Center
The Dai-ichi Life Insurance Company, Limited (the "Company")

[Questions and Answers]

The name of the respondent is mentioned at the end of each answer.

<Economic Solvency Ratio (ESR)>

Q1. Please explain in more detail page 32 of the presentation materials, which refers to additional actions in the absence of economic factors. Do you assume capital increases such as common stock issuances?

A1. The Company has no plan to issue common stock. Taking into consideration many factors such as the effect of accounting profit, we consider certain actions, including adequate control of risk amount and non-dilutive measures of capital increase. The final year of our mid-term management plan is the fiscal year ending March 31, 2018 and the global capital regulation for insurance companies is expected to take effect in 2020. We can make good use of this time. (Watanabe)

Q2. Although there was downward pressure on your economic capital adequacy, you maintained the total payout ratio for the fiscal year ended March 31, 2016 and the target of increasing total payout ratio to 40% by the fiscal year ending March 31, 2018. Please provide your thoughts on how you strike a balance between economic value-based capital adequacy and a source of shareholder dividends that is based on statutory earnings. Also, in order to enable investors to assess the appropriateness of the balance between the two, please consider disclosing more details regarding the calculation methodology for the economic capital adequacy ratio.

A2. As it is very important to strike a balance between the economic-value basis and the accounting basis, we would be happy to have discussions on the subject with investors going forward, including regarding the methodology for calculating the economic capital adequacy ratio. Although we proposed that our total payout ratio stay flat at 30% for the fiscal year ended March 31, 2016 in consideration of our economic capital adequacy ratio, we would like to increase the total payout ratio to 40% by the fiscal year ending March 31, 2018 in a gradual manner. (Watanabe)

In our current mid-term management plan, we aim to increase our consolidated net income to 220 billion yen for the fiscal year ending March 31, 2018 and to increase our total payout ratio to more than 30%, which was the ratio for the fiscal year ended March 31, 2015. The increase in total payout amount is expected to be several tens of billions of yen while the sensitivity of our economic capital for 50 basis point downward parallel shift in risk-free yield curve has a magnitude of several hundreds of billions of yen. Because we are making steady progress on our consolidated adjusted net income, it is very challenging for us to strike a balance between payout and retention based just on our economic capital adequacy, which is a projected figure based on the current economic conditions. As President Watanabe mentioned, we would like to foster a greater mutual understanding on the balance between the two through discussions with investors. (Inagaki)

Q3. Please indicate the impact of adopting the ultimate forward rate to capital and risk of economic capital adequacy.

A3. The rough calculation of Embedded Value without using the ultimate forward rate ("UFR") was 4 trillion yen and Embedded Value after applying the UFR was 4.6 trillion yen, so there was a positive impact to economic capital. There was also an impact to interest rate risk but I would like to decline disclosing specific figures. (Nishimura)

Q4. My understanding is that a "matching adjustment" is applicable under European Solvency II, where insurance liabilities can be discounted with a high discount rate when insurance liability and asset are matched. Could you tell us how many assets in Dai-ichi Life's general account of approx. 30 trillion yen are eligible for the matching adjustment?

A4. We operate a balanced fund management in our General Fund and Group Pension Fund, which constitute the majority of our general account assets. For the rest of the assets, we operate a cash flow-matching fund management or duration-matching fund management, and I think that a "matching adjustment" is a useful reference for these funds. However, the effect may be small in light of the level of development of the bond market in Japan. (Inagaki)

<Shift to the holding company structure>

Q5. I seem to remember that the objective of the shift to a holding company structure was initially to prepare for a possible reorganization of the Japanese life insurance industry. Could you tell us whether the possibility of a reorganization is increasing again?

A5. We have decided to shift to a holding company structure. As we had mentioned at the time the Company listed its common stock on the Tokyo Stock Exchange, one of the reasons for the listing was to prepare for a reorganization of the industry and this objective has still not changed. In a negative interest rate environment, we will face many challenges, including fierce competition in product development, and the industry will be reorganized sometime in the future. Under a holding company structure, we will be able to deal flexibly with a reorganization of the industry. (Watanabe)

<Alliance with Japan Post Insurance>

Q6. Please indicate whether there is a possibility that Dai-ichi Life's products will be sold at post offices.

A6. Through the alliance with Japan Post Insurance, we will consider undertaking joint research in view of product development, including use of big data. Also, there are various measures about sales channels that are worth considering. (Watanabe)

Q7. Please explain how you utilize the Company's big data.

A7. The Company's big data was utilized to develop medical insurance products with discounts for non-smokers which began to be sold by Neo First Life. In addition, the Company is currently discussing how to utilize big data to develop other products and services. (Watanabe)

<Product Strategy>

Q8. Are you planning to renew products based on risk management in light of the prolonged low interest rate environment?

A8. We have to monitor how a possible revision of the standard assumed rate of return and the standard life table will impact our business before we plan a revision of our products. We also need to allow sufficient time for systems investments before we go ahead with the revision. (Watanabe)

<Protective Life>

Q9. Since the annuity business accounts for 35% of Protective Life's operating income, I would like to know if there is any development that we should be concerned about, such as the new fiduciary duty requirement introduced by the Department of Labor in April.

A9. You are quite right in pointing out that the annuity business is one of the core businesses of Protective Life. As it is relatively sensitive to interest rates, and interest rates are expected to increase in the near future, we do not have any concern about the annuity business slowing this year. We understand that Protective Life is monitoring regulatory developments, and we do not factor any regulatory impact into the Company's premium income budget. (Inagaki)

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

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