(Unofficial Translation)
Acquisition of Protective Life Corporation Conference Call for Institutional Investors and Analysts Q&A Summary

Date: June 4, 2014 16:00 - 17:00

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

< General Questions about Protective Life Corporation (Protective) >

Q1. Regarding the explanation on page 2 of the presentation material, "Resources provided by Dai-ichi Group to act as a catalyst for acceleration of Protective's growth", please explain what kind of resource will be provided and how it will act as a catalyst of Protective's growth.

A1. On page 18 of the presentation material we explain about resources we will provide. As we believe there is still room for growth in the U.S. retail market, especially the life insurance market for middle-income customers. We will accelerate Protective's growth by leveraging know-how which Dai-ichi Group has accumulated in Japan and Australia.

Additionally, as we have an experience of helping TAL become a No.1 player in the Australian life insurance industry through capital support for TAL to implement its strategies, we think we will able to aid Protective in various ways including initiatives we have taken in TAL's case. Currently, as Protective is a listed company and its stockholders strictly check its performance quarterly, it is somewhat difficult for Protective to implement medium- to long-term strategies such as expanding its protection business. However, after becoming a member of Dai-ichi Group, Protective will be able to execute dynamic business strategies.

Q2. Please explain the background that the executives of Protective, which has steady business results and favorable ratings, selected to come under the umbrella of Dai-ichi Life, rather than managing independently.

A2. We think their decision is because Protective, as a listed company, has been exposed to the threat of acquisition from third parties and has difficulty in implementing business strategies from a medium- to long-term viewpoint. As Dai-ichi Life and Protective share many values in our management philosophy, we think the executive of Protective considered they will be able to carry out their duty to Protective's policyholders and current shareholders by implementing the strategies from a more medium- to long-term viewpoint as a member of a global insurance group.

Q3. I feel Protective focuses on mainly individual annuities products such as universal insurance. When entering the U.S. insurance market going forward, would it be possible that Protective will shift to protection-type products taking into account the population growth, etc.

A3. Although Protective has a history of shifting to the universal insurance, some of its universal insurance products are rather protection oriented. We continue to expect Protective's well-balanced growth between protection and savings.

Q4. Given your minority stake in the alliance with Janus and 100% stake in the acquisition of Protective, please explain whether your basic policy is to have a minority stake in the asset management business and to acquire 100% stake in the life insurance business, or it is possible such policy will change.

A4. Regarding the acquisition of Protective, we pursued a clear strategy to acquire 100%. It is based on our confidence that we will be able to accelerate growth of the acquired company in the U.S. market through a majority stake in terms of governance, similar to our experience with TAL. On the other hand, unlike life insurance businesses the asset management business can create various win-win relationships such as selling Janus's products in Japan. In that case, taking into account the concern over risk of turnover in personnel, we selected a minority stake. For future investment we think we will make judgments on a case-by-case basis.

Q5. Please discuss whether the growing trend of net income of Protective, currently around 40 billion yen, will continue after the fiscal year in March 2014.

A5. First, the positive effect of the consolidation of MONY, formerly in the AXA group, which Protective acquired in 2013, will materialize in this fiscal year. We conducted the earnings simulation of each business line of Protective by setting assumptions such as top line growth and we think Protective has the potential to achieve a high growth rate going forward, as the past track record of Protective shows.

< Consolidated Accounting >

Q6. Dai-ichi Life will acquire Protective through a reverse-triangular merger. Please explain whether Dai-ichi Life will consolidate Protective based on US-GAAP or J-GAAP.

A6. In principle, similar to TAL's case where we consolidate figures based on Australian accounting standards, we will consolidate figures of Protective based on US-GAAP.

Q7. Please explain if there are noticeable differences between US-GAAP and J-GAAP when consolidating Protective, such as the treatment of differed acquisition costs (DAC), in addition to goodwill.

A7. For the differences between US-GAAP and J-GAAP, general items seem to be recognition of sales, description of accounting items, treatment of goodwill, research and development expenditures and employees' retirement benefit. On the other hand, there is no definitive accounting treatment when consolidating financial statements such as the treatment of DAC. We will consider the specific accounting treatment through discussion with our auditors.

Q8. For "goodwill amortization and other expenses" on page 17 of the presentation material, please provide the timing of occurrence, the amount and amortization period, etc.

A8. The chart shows the image but the amount of the amortization of goodwill and other expenses is not determined. It is possible to roughly estimate the amount of goodwill by comparing the net assets on Protective's balance sheet and acquisition price. However, please understand that such difference will not be recorded as goodwill. We are still considering the amortization period and the amortization per year is not determined.

Q9. Do you think the EPS after the acquisition will eventually increase although the amortization period is not determined?

A9. Your understanding is correct.

Q10. The consolidated adjusted net income is calculated by adding after-tax amount of the provision for internal reserves classified as liabilities in excess of the statutory amount to consolidated net income. Please indicate whether the calculation method and 30% total payout ratio will change after the acquisition of Protective.

A10. Protective's profit based on US-GAAP after adjusting goodwill and other factors is expected to be added. We do not plan an adjustment of internal reserves classified as liabilities we conduct in Dai-ichi Life. Additionally, after the acquisition we do not intend to change our goal of total payout ratio.

< Valuation >

Q11. Please discuss focusing on quantitative aspects of the hurdle rate when considering Protective as an acquisition target and the reason why Protective is more attractive than other acquisition targets. Additionally, regarding your explanation that EPS and ROE will increase, please indicate whether you believe EPS and ROE are appropriate indicators for those in the equity markets to evaluate the growth of Dai-ichi Life.

A11. We set a hurdle rate by taking into account Dai-ichi Life's domestic capital cost and the interest rate difference between Japan and the United States. As the future IRR of Protective and other figures we calculated are expected to exceed the hurdle rate we came to the conclusion that it is attractive. Also, Protective's strong track record such as 13% average CAGR of pre-tax operating income after financial crisis and ROE exceeding 10% for three consecutive years was attractive. Additionally, we have explained our growth potential by using indicators such as EV growth rate and the reason why we incorporated the viewpoint of EPS and ROE is to show the investors that earnings per share based on J-GAAP will not be dilutive.

Q12. Compared with the average premium of M&A deals of insurance companies in the past several years, it seems that approximately 35% premium of this acquisition is not necessarily low-cost. Please explain specific synergies you will expect regarding the acquisition of Protective.

A12. Our understanding is that the average premium of the other acquisitions of U.S. life insurance companies is around 30% and that of Protective's case is within usual range. By providing know-how of Dai-ichi Life Group to Protective which seeks multi-channel strategies in the U.S .market with high growth potential and by supporting its growth through a certain amount of capital support to the extent needed, we think we will be able to collect the premium like we succeeded in TAL's case.

Q13. Please discuss to what extent the acquisition price of Protective includes the effect of the acquisition of MONY.

A13. Protective acquired MONY for approximately 100 billion yen. We anticipate Protective will earn a profit in accordance with the track record of Protective's acquisition business, and so please understand we conducted a future projection when calculating the acquisition price.

< Capital Strategies >

Q14. Please provide the assumption of the expected capital and risk amounts as of March 2015 on page 19 of the presentation material. Also, please discuss the background why you calculated the maximum amount of common stock issuance to 250 billion yen.

A14. The graph of expected capital and risk as of March 2015 is the image and does not reflect the effect of the acquisition of Protective, etc. Also, the 250 billion yen maximum of expected fundraising is calculated taking into account various factors: a) increase in risk amount associated with the acquisition amount (calculated taking into account risk charge attributable to foreign stocks and diversification effects), b) exclusion of goodwill, c) application of the rest of 300 billion yen budget for growth investment, d) risk reduction and e) other non-dilutive fundraising method. Please note that the specifics as to timing and amount, including whether to conduct an issuance, remain undetermined.

Q15. Total asset ranking of global life insurance companies on page 23 of the presentation material indicates Dai-ichi Life Group will be ranked as 13th after the acquisition of Protective. Through this acquisition Dai-ichi Life Group seems to be included in IAIG (Internationally Active Insurance Group). Please explain whether you consider it is possible that Dai-ichi Life Group will be included in G-SIIs (Global Systemically Important Insurers). In this case please discuss whether you may revise your economic capital-based capital adequacy ratio goal.

A15. When the acquisition is completed, overseas premium income over the group total will account for more than 10% and it is within view that Dai-ichi Life Group will be regarded as IAIG. As we understand the capital adequacy level that global major life insurance companies are targeting is higher than our goal of 130%, after completing the goal as of March 2015 stated in our medium-term management plan "Action D", we would like to increase our goal of capital adequacy level, similar to global life insurance companies, by the time new capital regulations will fully take effect.

Q16. In case Protective's profit will be included in Dai-ichi Life's profit through dividend from Protective as a result of pressure from Dai-ichi Life's shareholders to increase their dividends, it is possible that Protective will not be able to conduct dynamic business strategies. Please explain what discussions you have had with executives of Protective regarding the issue.

A16. As an example of Dai-ichi Life Group's experience, after making TAL our subsidiary through close discussion between Dai-ichi Life and TAL we flexibly adjusted TAL' s capital and dividend strategies including a decrease in dividend from TAL in order to support future investment. Although we have not conducted such detailed discussion with Protective, we think a flexible framework of capital and dividend strategies under Dai-ichi Life Group will be an advantage for Protective to implement its medium- to long-term strategies.

Q17. Please discuss whether Protective will need further capital support from Dai-ichi Life when expanding its acquisition business dynamically.

A17. Protective conducts its acquisition business within its free cash-flow. Although we do not expect to continuously inject capital from Dai-ichi Life to implement Protective's acquisition business at this time, we would like to consider a capital injection if there are attractive opportunities going forward.

< Fundraising >

Q18. Please explain the background that you chose shelf registration instead of raising capital when concluding the merger agreement.

A18. In the merger agreement with Dai-ichi Life and Protective, there is a “go-shop period” in which Protective will solicit the bid from third parties. In case other companies make an offer which exceeds “acquisition price of 70 U.S. dollars per share” based on our agreement, it is possible the agreement will not take effect. Therefore we did not select to raise capital on the same timing as the conclusion of the merger agreement.

Q19. Please explain why you decided to issue common stock, while it seems there are alternatives such as borrowings from other financial institutions and issuing notes.

A19. Generally, we understand that there are various measures of capital increase such as issuing notes and subordinated debt. However, we believe in targeting our current goal of economic value-based capital level of 130%, we should take into account current balance between equity and subordinated debt, and above all, we, as a regulated company, need to be extremely conservative about fundraising with a financial leverage through notes and borrowings. Therefore, we filed a shelf registration statement to prepare a framework for the issuance of new shares. Please note that the specifics as to timing and amount, including whether to conduct an issuance, remain undetermined.

Q20. Currently, Dai-ichi Life’s stock appears undervalued compared to its EV and a fundraising does not seem to be necessarily efficient based on the Price/EV. Please explain the background why you decided on an acquisition with a fundraising, despite investors’ harsh view on Dai-ichi Life.

A20. It is true that, although we have increased our EV by approximately ¥1.5 trillion since our IPO, our market capitalization has not substantially changed. In response, we have made various studies such that business expansion focusing on our domestic market will not able to resolve the undervaluation. We believe that by promoting geographical diversification of our group business portfolio and enhancing profitability as a Group we will be able to maintain group profitability and competitive advantage in Japan, even though we face a more severe competitive environment in the Japanese market as a result of demographic change. Please understand that we made a management judgment in light of a rare opportunity to help Dai-ichi Life Group transform into a global company.

< Embedded Value (EV) >

Q21. Please discuss whether the EV of Protective is expected to be greater than the shareholders’ equity based on US-GAAP, similar to the case of other U.S. life insurance companies.

A21. While we would like to disclose the EV of Protective in the future, there is no definite figure at this moment. However, according to the estimates based on certain assumptions it seems the trend is similar to those of the other U.S. life insurers.

Q22. Please explain if you have an image whether the EV per share will be accretive or dilutive.

A22. It is difficult to comment at this moment.

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

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