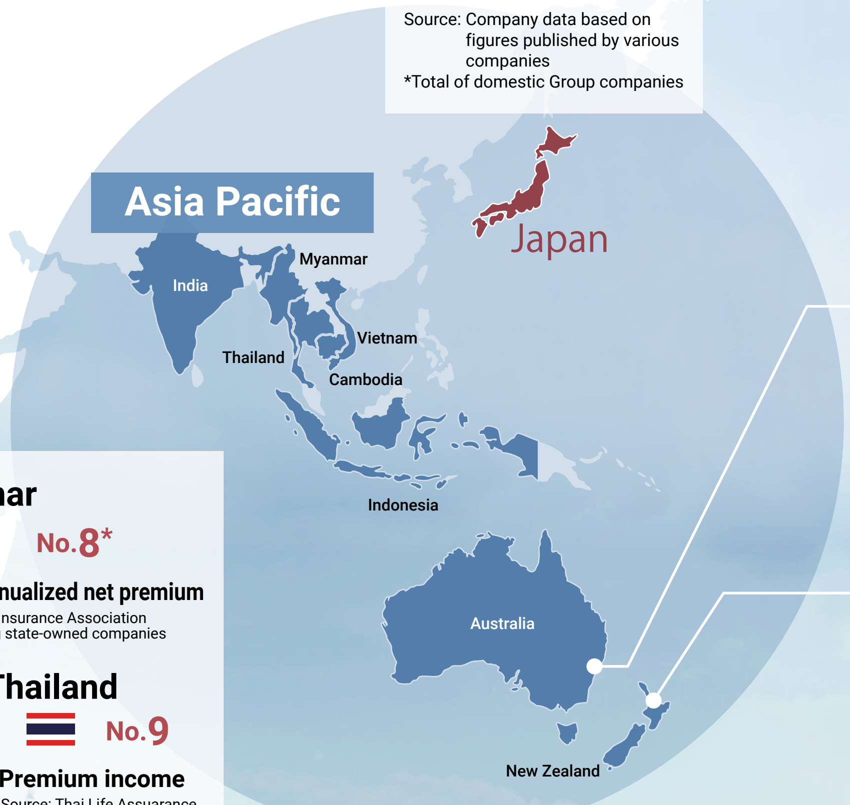
Group at a Glance

Global insurance group with operations in 10 countries



Japan
No.2*
14.0% Share
Insurance premiums and other income
Source: Company data based on figures published by various companies
*Total of domestic Group companies

Vietnam
No.4
12.5% Share
Premium income
Source: Insurance Association of Vietnam

Cambodia
No.6
First-year premium
Source: Insurance Association of Cambodia

Myanmar
No.8*
New business annualized net premium
Source: Myanmar Insurance Association
*Excluding state-owned companies

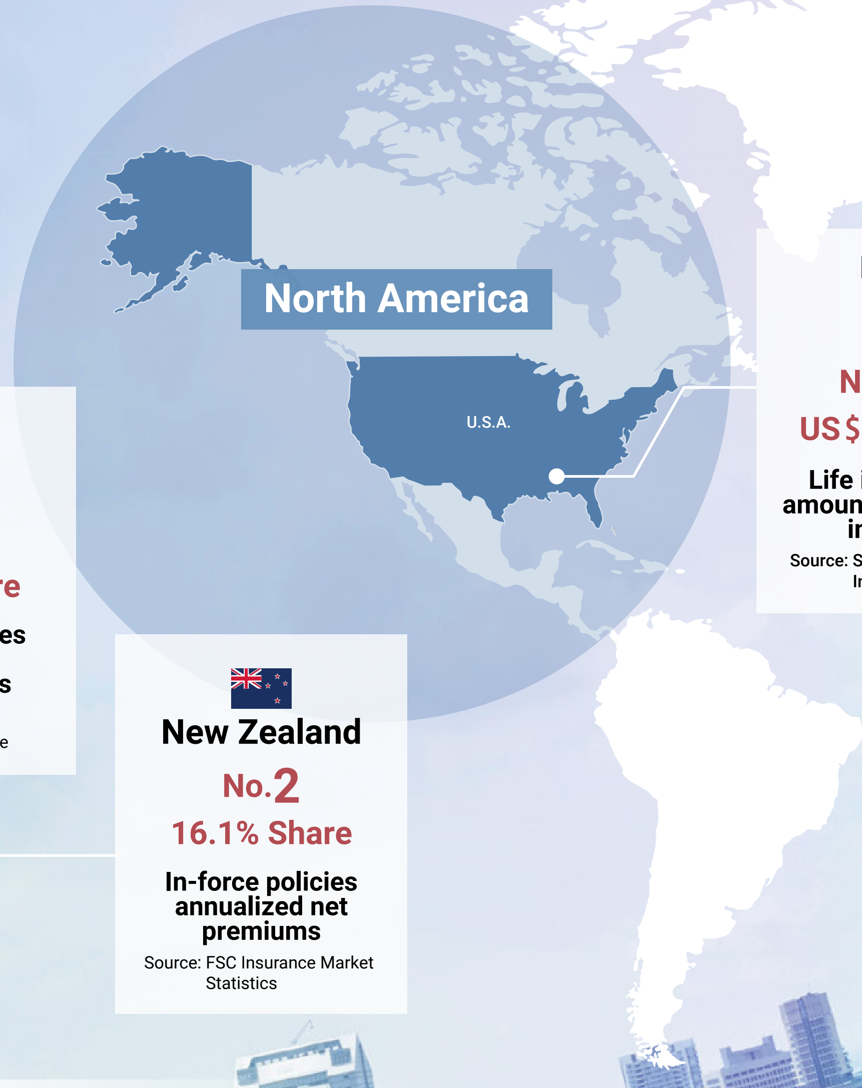
India
No.10
New business premium
Source: IRDAI

Indonesia
No.11
Premium income
Source: Indonesian Life Insurance Association

Thailand
No.9
Premium income
Source: Thai Life Assurance Association

Australia
No.1
33.8% Share
In-force policies annualized net premiums (protection)
Source: Plan For Life

New Zealand
No.2
16.1% Share
In-force policies annualized net premiums
Source: FSC Insurance Market Statistics



US
No.13
US$992.6bn
Life insurance amount of policies in force
Source: S&P Global Market Intelligence

Corporate value

Market capitalization	Group EV	Total shareholder return (TSR)
¥3.7tn	¥8.8tn	+64% (March 31, 2022–March 31, 2024)

Strong and stable financial soundness

Economic solvency ratio (ESR)
226%

Ratings

Dai-ichi Life Holdings	Dai-ichi Life		
AA- (JCR)	AA (R&I, JCR)	AA- (Fitch)	A+ (S&P, A.M. Best)

Group assets and profit scale

Total consolidated assets	Consolidated net assets	Group adjusted profit	Group adjusted ROE
¥67.5tn	¥3.8tn	¥319.3bn	8.2%

Industry leading ESG ratings

PRI	DJSI
Achieved **5-star ratings (highest possible)** for "Policy/Governance/Strategy" and "Processes to ensure transparency" (Dai-ichi Life, 2023 evaluation)	Selected as a constituent of the **Dow Jones Sustainability Asia Pacific Index**

Note: Figures are as of the end of FY2023, except where noted.

Business segments and Group companies

Domestic insurance business

By your side, for life — Dai-ichi Life — Dai-ichi Life Group
第一フロンティア生命 第一生命グループ
ネオファースト生命 第一生命グループ
ipet — Dai-ichi Life Group
「あなたらしく」をスマートに! 第一スマートほけん 第一スマート少額短期保険株式会社 第一生命グループ

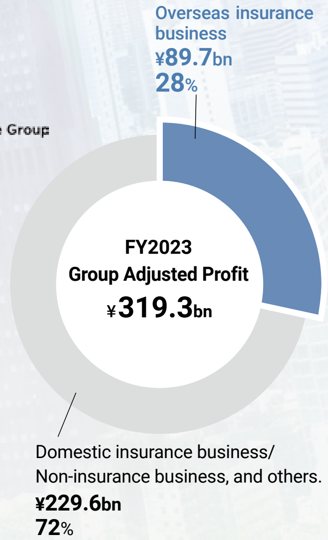
Non-insurance business (Asset management business/New fields of business)

Asset management business

Asset Management One
Vertex Investment Solutions — Dai-ichi Life Group
TOPAZ
CANYON PARTNERS, LLC
DLR 第一生命リアルティアセットマネジメント株式会社 — Dai-ichi Life Group

New fields of business

Benefit one — Dai-ichi Life Group



Overseas insurance business

Protective
TAL
partners life
Dai-ichi Life — Gắn bó dài lâu
Dai-ichi Life Cambodia
Dai-ichi Life Myanmar
Star Union Dai-ichi Life Insurance
PaninDai-ichiLife — By your side, for life
Ocean Life Insurance

FY2021–2023

Review of the Previous Mid-Term Management Plan

In the mid-term management plan (Re-connect 2023) started in FY2021, we recognized that the COVID-19 pandemic forced disruptions and changes in some of our connections with stakeholders and rapidly changed people's values and societal norms. Based on our understanding of this changing environment, we reevaluated how we connect with stakeholders, including our customers, and took initiatives focusing on four key initiatives: Financial and Capital Strategy, Domestic Business Strategy, Overseas Business Strategy, and Management Foundation & Sustainability.

Review of Key Initiatives

The acquisition of ipet in Japan and the acquisition of Partners Life in New Zealand, a new country in our overseas business, have brought some outcomes in improving our business portfolio.

In addition, although specific strategies will be developed and implemented during the new mid-term management plan starting in FY2024, we have acquired Benefit One to further extend our business domains and form an ecosystem.

On the other hand, although we have achieved certain outcomes through various initiatives, capital efficiency remains below the cost of capital, and we are aware that the new business performance of Dai-ichi Life is an issue. In executing the new mid-term management plan, we will work to resolve issues based on our recognition of the challenges of the previous plan.

Strategy	Key initiatives	Achievements	Challenges
Financial/Capital Management	Drastically improve capital efficiency mainly by reducing market-related risks	Reduced market-related risk through the reduction of interest rate risk by accumulating an adequate amount of long-term bonds and reinsurance transactions, with progress exceeding the target	Despite a steady decline in the cost of capital, equity risk remained high due to rising stock prices, and capital efficiency has been lower than the cost of capital
Financial/Capital Management	Strike a balance between disciplined capital allocation and strong shareholder payouts	Promoted capital circulation management by shifting capital to growth markets while maintaining a high total payout ratio	Room for improvement in relatively low dividend yields as stock price rises, and in the balance between share buybacks and cash dividends
Domestic Business	Reform sales rep channel and improve its efficiency	Improved premiums-per-policy, one of our productivity indicators, due to revamping of the product structure and consulting process along with fundamental operational changes	Weak performance in new business sales at Dai-ichi Life, mainly due to a decrease in the number of sales reps, caused by the time required to establish and stabilize the new recruitment and development model
Domestic Business	Transform the domestic business model and improve CX by leveraging our four experiential values	Expanded experiential value fields, such as business domain expansion into pet insurance and employee benefit services	OMO (Online Merges with Offline) promotion through Mirashiru and other means could not generate enough leads and revenue
Overseas Business	Increase profits in existing markets and drive business for further growth	Improved the business portfolio by entering a new region (acquisition of Partners Life in New Zealand)	Increased volatility in profit due to increased competition in M&As in North America and macro-environmental fluctuations
Overseas Business	Leverage DX to pursue CX and improve productivity further	Acquired digital capabilities through investments and alliances with YuLife in the UK and RenewBuy in India	DX efforts by each company have made progress, but cross-Group synergy creation is ongoing
Management Foundation & Sustainability	Promote the Group's human capital strategy and governance to support our business foundation	Strengthened the management structure by introducing and expanding the CxO system and appointing outside professionals	Room for improvement in securing digital and other specialized talent and in the ratio of female executives and organization heads
Management Foundation & Sustainability	Promote Sustainability throughout the Group	Being adopted in multiple ESG indexes, strengthened sustainability promotion structure, and steadily reduced GHG emissions	Challenges in the efforts across the Group companies with different regional characteristics

Status of KPI Achievement

The KPIs set in the previous mid-term management plan have largely achieved the levels targeted at the beginning of the plan.

In particular, with regard to the results for FY2023, the final year of the mid-term management plan, the relative TSR, which is based on the starting point of the previous mid-term management plan (end of March 2021), was fourth place, which is above the medium level, and the Group adjusted profit was well above the target due to an upswing in investment income backed by the impact of yen depreciation and other factors. The Group's ROEV also overachieved due to the support of external factors such as rising stock prices and interest rates.

While significant progress was made in reducing market-related risk, equity risk remained high due to rising stock prices. We have also set a target for adjusted ROE, but it is not yet at a level that exceeds the cost of capital, so we recognize the need to continue to promote capital circulation management initiatives and take steps to reduce the cost of capital and improve capital efficiency.

Regarding the value of new business (VNB), a leading indicator of insurance profit, there were positive factors such as higher sales volume at Dai-ichi Frontier Life, supported by rising domestic and overseas interest rates. However, this was offset by sluggish new business performance at Dai-ichi Life and weak sales in the banking channel at Dai-ichi Life Vietnam due to low sales momentum. As a result, VNB was below the target as a Group and was lower than the FY2022 result.

At Dai-ichi Life, we are aiming for an early recovery in sales volume through the provision of integrated value in protection and asset formation/succession, in addition to securing new points of contact with customers through touchpoint products such as pet insurance.

Beyond the KPIs in the previous mid-term management plan, we have added KPIs that are more consistent with our Vision for FY2030 to better visualize our progress in the new mid-term management plan.

	Target level at the end of FY2023	FY2021 result	FY2022 result	FY2023 result
Group adjusted ROE*1 (Group adjusted profit basis)	ca. 8%	8.0%	4.9%	8.2%
Group ROEV*2	Average ca. 8% (by around FY2026)	4.9%	3.9%	26.8%
Market-related risk reduction (Interest rate risk and equity risk vs. March 2021)	Risk reduction ¥560bn (equivalent to ca. 20% interest rate risk and equity risk)	¥392.9bn	Cumulative total ¥537.3bn	Cumulative total ¥706.2bn ((25.4)% vs. March 2021)
Economic solvency ratio (ESR)*3	Maintain stable level in range 170%–200% in the medium and long term	227%	212%	226%
Relative TSR (Total shareholder return)	Build a relative advantage compared to 10 domestic and overseas peers*4	2nd	4th	4th
Group adjusted profit*1	ca. ¥250bn to ¥280bn	¥296.1bn	¥170.5bn	¥319.3bn
Reference: Group value of new business*3	Operate according to targets set for each fiscal year	¥98.6bn	¥77.7bn	¥54.5bn

*1 As TAL and Partners Life have adopted IFRS 17 from FY2023, the figures for FY2022 have been restated to retrospectively apply IFRS 17 for TAL and Partners Life. For reference, the Group adjusted ROE and Group adjusted profit before retrospective restatements were 5.0% and ¥184.4bn, respectively.

*2 Effective from FY2023, the calculation method for the three domestic life insurance companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life) has been changed in accordance with new regulations (economic value–based solvency regulations to be introduced in Japan at the end of FY2025).

*3 FY2022 and FY2023 results reflect the change in calculation method in *2.

*4 Comparison based on TSR starting from March 31, 2021, the start of the previous mid-term management plan.

FY2024–2026

New Mid-Term Management Plan

The new mid-term management plan, which started in FY2024, was developed in recognition of the challenges faced up to the previous mid-term management plan and changes in the external environment. Through the plan, we aim to become No. 1 in Japan in the four areas of customer satisfaction, employee satisfaction, innovation in products and services, and corporate value by FY2030, thereby becoming a global top-tier insurance group and a leader shaping the future of the Japanese insurance industry. The plan was formulated by backcasting the necessary actions to be taken over the next three years to reach these goals. We have set "achieving capital efficiency that consistently exceeds the cost of capital" as the most important KPI, and other important KPIs have been set as a quantitative target to which we are committed during the period to establish the foundation to achieve our Vision for FY2030.

Full Picture of the Plan

Vision for FY2030

- No. 1 in Japan in four areas: customer satisfaction, employee satisfaction, innovation in products and services, and corporate value
- Global top-tier insurance group
- Leader shaping the future of the Japanese insurance industry

Vision for FY2026

- Achieving capital efficiency that consistently exceeds the cost of capital
- Building a foundation for transformation into an insurance-related service provider
- Group adjusted profit of ¥400bn
- Doubling market capitalization (¥3tn) as of the beginning of FY2023

KPI Targets

Financial

KPI item	FY2026	FY2030
ROEV	ca. 8% in the medium to long term	
Value of new business	Set for each fiscal year	—
Adjusted ROE	ca. 10%	Consistently exceeding 10%
Adjusted profit	¥400bn	¥600bn
Cost of capital	8%	Consistently below 8%
Relative TSR (vs. 14 peers)	Relative advantage	

Non-Financial

KPI item	FY2026
Number of customers	Domestic: ca. 15mn Overseas: ca. 45mn
ESG composite indices	Industry-leading evaluation scores in Japan

Overview of the Plan

Realize our Vision for FY2026 by organically circulating our four businesses with enhancement of the financial and capital strategy and the management foundation.

Business Strategy		Financial and Capital Strategy	Management Foundation (Governance/Human Resources/IT & Digital)
Protection Business (Japan)	Retirement, Savings and Asset Management Business		
International Life Insurance Business	New Fields of Business		

External Environment

Rapid evolution of digital technology, including implementation of generative AI	Increased geopolitical risk/uncertainty	Accelerating decline in the birth rate and aging of population
Further acceleration of diversification and segmentation of values	A world with rising interest rates and inflation	Increasing demand for capital efficiency and corporate value
Growing asset formation needs	Trends in emphasizing sustainability	

Overview of the Plan

We will realize our Vision for FY2026 by organically circulating our four businesses with enhancement of the financial and capital strategy and the management foundation.

Protection Business (Japan)

Create value in which customers pursue value propositions in both protection and asset formation/succession and by improving channel productivity

- Review the issues and needs of each customer segment, and implement value propositions based on protection and asset formation/succession while expanding product lineups that focus on the issues.
- Aim to return Dai-ichi Life to pre-pandemic levels of new business performance through the integration of real and digital channels.

International Life Insurance Business

Aim for adjusted profit of ¥160bn (40% of Group adjusted profit) in FY2026 through growth in existing businesses and inorganic growth through M&As

- At Protective Life, expand capital efficiency and profits by expanding sales of insurance and annuity products, making new acquisitions, and strengthening asset management capabilities.
- Strengthen the foundation in markets where both high growth and profit contribution are expected, such as India, and expand into regions where we have not yet made inroads.

Retirement, Savings and Asset Management Business

Develop resources for business expansion, and in the asset management business, strengthen the Group's asset management functions and product competitiveness as well as grow the capital-light fee business

- At Dai-ichi Life, establish a sales structure including expansion of asset formation, succession, and inheritance advisors.
- At Dai-ichi Frontier Life, increase assets under management by improving product competitiveness and investment capabilities.
- Secure a competitive advantage in the insurance business through investment in asset management companies and expand revenue sources in the capital-light fee business.

New Fields of Business

Building an ecosystem centered on Benefit Station based on the steady implementation of PMI

- Create synergies aligned with a short-, medium-, and long-term timeline, such as expanding the customer base through synergies with Dai-ichi Life, developing and expanding sales of unique insurance products, providing health and medical services, and fostering collaboration in overseas operations.
- Expand non-insurance areas (including the asset management business), aiming to grow to account for 10% of Group adjusted profit in FY2030.

Financial and Capital Strategy

Promote capital circulation management, reduce the cost of capital by reducing market risks beyond the levels of the previous mid-term management plan, and achieve attractive shareholder returns

- Reduce domestic equity by ¥1.2tn over three years, and if the market value rises further, flexibly scale up sales volume to ensure equity risk reduction.
- Maintain the level of total shareholder payouts until achieving capital efficiency that consistently exceeds the cost of capital, raise the dividend payout ratio to 40%, and newly determine the introduction of an interim dividend.

Management Foundation (Governance/Human Resources/IT & Digital)

Strengthen governance to clarify responsibility and authority, and to improve operational efficiency
Develop and acquire human resources to support the management foundation by proactively investing resources in human capital
Expand the customer base and improve productivity by providing technologies that align with each business strategy

- Achieve high transparency in business promotion and cross-Group functions, through a matrix-type corporate governance structure of business lines and functional lines.
- Promote transformation in human resources both in Japan and overseas, aiming for the optimal allocation of resources, by positioning "Group HR governance," "Personnel systems and compensation systems," "Talent acquisition and talent development," and "Opportunities for success" as the four pillars of the human resources strategy.
- Internalize digital organizational capabilities and strengthen Group capabilities through the use of the Global Capability Centre and the transformation of the internal systems company. In addition, transform to data-driven sales activities through the centralization of domestic customer information.

Financial and Capital Strategy

Through high-quality "capital circulation management," we will achieve capital efficiency that consistently exceeds the cost of capital by FY2026.

Executive Officer
Chief Financial Officer
Taisuke Nishimura

Vision

- Achieving capital efficiency that consistently exceeds the cost of capital by FY2026
- Building a solid business portfolio through capital circulation management
- Sustainably enhancing corporate value (market capitalization of ¥6tn in FY2026 and ¥10tn in FY2030) by realizing these goals

Message from the CFO

I am the Chief Financial Officer (CFO), Taisuke Nishimura. In the previous mid-term management plan, our Group set improving capital efficiency and reducing the cost of capital as its most important issues, and implemented various measures, including risk reduction initiatives. As a result, we have achieved a certain level of success, with the cost of capital falling to around 9% as of the end of FY2023, but we have yet to reach the level we had targeted. In this section, I will explain the financial and capital strategy for the current mid-term management plan, along with my thoughts on our Group's business as a whole.

Our Group is aiming to achieve market capitalization of ¥6tn in FY2026 and ¥10tn in FY2030, in order to rank among the global top tier companies by FY2030.

We have positioned the new mid-term management plan period as the final stage to achieve capital efficiency that consistently exceeds the cost of capital, a goal we have been working toward since the previous mid-term management plan, on a timeline to FY2030. Adjusted ROE in FY2023 was 8.2%, which is still below our cost of capital level of 9%. We will work to reverse this relationship and achieve capital efficiency that consistently exceeds the cost of capital as our most important issue for improvement. Therefore, in addition to improving the capital efficiency of existing businesses, we will reallocate capital to businesses where higher growth and higher capital efficiency are expected. We will also continue to emphasize share buybacks as part of our commitment to improving capital efficiency. By FY2026, we will ensure capital efficiency that exceeds the cost of capital, after which we will accelerate strategic investments to scale up profits and realize our Vision for FY2030. Our Group's challenge is first to recover the domestic value of new business (VNB) and, by extension, to maintain the profit scale of the domestic business centered on Dai-ichi Life over the medium to long term.

In anticipation of the new economic value–based capital regulations scheduled for introduction in FY2025, we are revising our ESR for internal management purposes, but currently the standards of our domestic companies have shifted to the new ones. In the future, we would like to clearly indicate the level of ESR based on the new standards after transitioning the standards of our overseas operations to the new ones as well, so that we can both maintain our financial soundness and improve capital efficiency.

It is also necessary to strengthen initiatives to control costs and improve productivity. We will work with each Group Head and CxO to improve productivity in anticipation of future inflation, for example, by strengthening the Group's vendor management.

The capital efficiency we aim to achieve after FY2026 and the business portfolio to realize it also need to be more specific. For example, as part of our initiatives to reduce the cost of capital and improve capital efficiency, we plan to sell ¥1.2tn of domestic equities held by Dai-ichi Life over the three years of the current mid-term management plan. We will continue to consider the ideal level of shareholding, including the period after that.

With the stable profits generated from our domestic business, the Company has been strengthening shareholder payouts and investing in businesses with high capital efficiency. Supported by the strong domestic stock market, our financial base has remained favorable. If domestic interest rates rise, we expect to enjoy a positive impact on the business environment, such as improved attractiveness for insurance products and increased VNB, although a certain amount of loss on sales of yen-denominated bonds is anticipated.

We will also strengthen our business portfolio. We intend to demonstrate the strength of our Group, which has grown its insurance business with a long-term frame, in growing countries, particularly in Southeast Asia. The insurance business is heavily regulated and growth is not easy, but we believe only the Dai-ichi Life Group is capable of achieving this. In developed countries, we expect the retirement market to grow as the population ages, and we are working to strengthen our annuity product development and sales, as well as the asset management business. In addition, we acquired Benefit One, the largest employee benefits platform in Japan. We intend to expand this customer base and achieve profit growth commensurate with the investment.

We will further promote capital circulation management to become a global top-tier insurance group in FY2030 by utilizing our Group's strengths, while practicing high-quality IR activities that are trusted by the market and sustainably improving our corporate value.

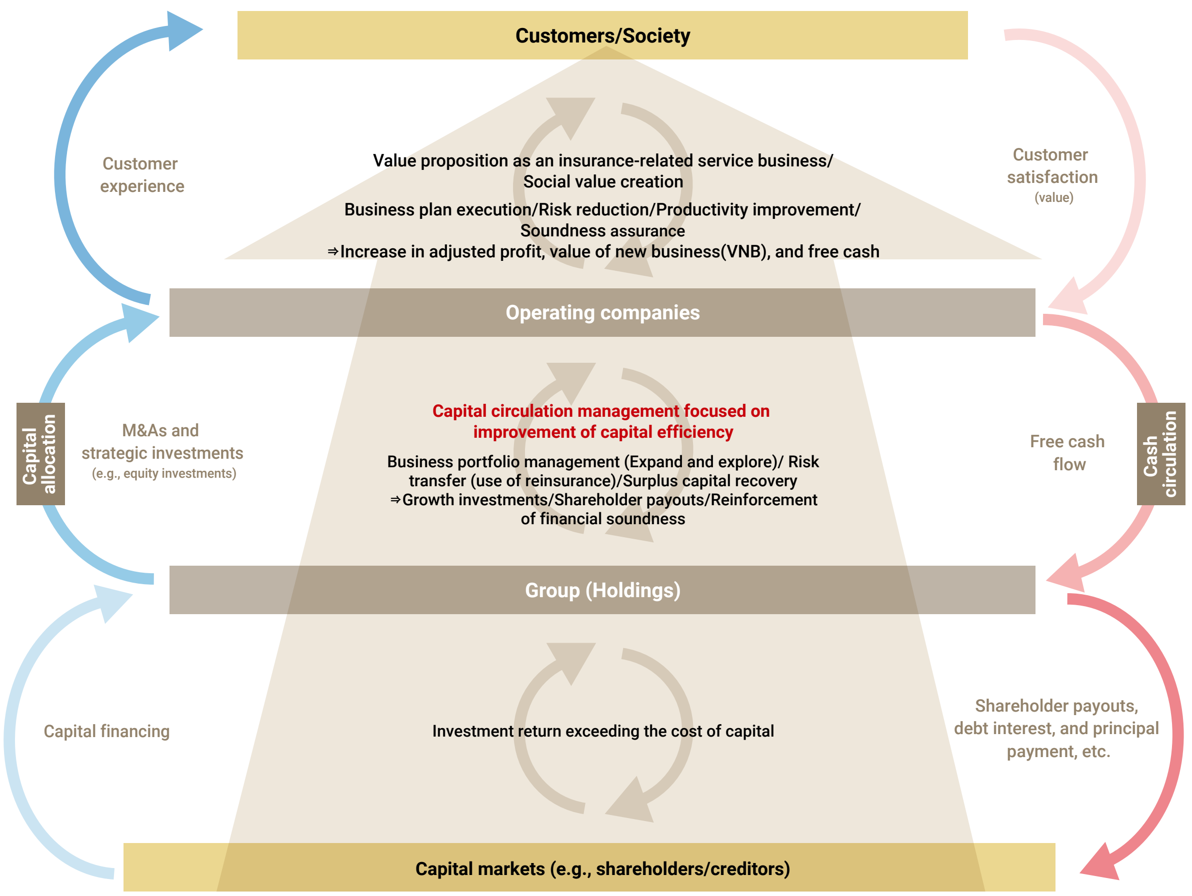
Basic approach to capital policies

Our Group bases its capital policies on the enterprise risk management (ERM) framework, aiming for the sustainable enhancement of corporate value and further improvement of shareholder payouts while ensuring financial soundness.

In the current mid-term management plan, we aim to achieve sustainable growth through "capital circulation management" in a continuation of our approach from the previous plan. "Capital circulation management" is a concept that aims to improve corporate value by creating a virtuous cycle of capital and cash generation through the reallocation of capital to more capital-efficient and high-growth businesses while ensuring financial soundness, using capital earned through business operations and capital freed up through risk reduction as financial resources.

Regarding the economic solvency ratio (ESR), an indicator of financial soundness based on economic value, we have set a target range of 170%–200%. If the ESR exceeds 200%, we will actively consider strategic investments and flexible and additional payouts, taking into consideration market conditions and other factors.

Capital circulation management



ESR level and approach to capital policy

Above 200%	● Maintain stable dividends in line with profits ● Actively consider strategic investments and/or flexible additional shareholder payouts
170%–200% (Target range 170%–200%)	● Maintain stable dividends in line with profits ● Consider strategic investments and/or flexible additional shareholder payouts with an awareness of financial soundness
130%–170%	● Maintain stable dividends in line with profits ● Consider strategic investments and/or flexible additional shareholder payouts based on the prospect of improvement toward our medium-term targets (reconsider risk-taking and/or shareholder payouts as needed)
Below 130%	● Consider risk reduction and reconsider shareholder payouts (consider recapitalization as needed)

Economic solvency ratio (ESR)

ESR is an indicator used to ascertain the financial soundness of insurance companies and, unlike the current solvency margin ratio, which is premised on accounting balance sheets, ESR is premised on economic value–based balance sheets.

Economic value includes unrealized gains and losses on assets and liabilities that are off-balance-sheet items for accounting purposes. Accordingly, ESR is an indicator that enables more consistent evaluation of assets and liabilities based on the same measure, that is, economic value, and encompasses fluctuations in the market value of liabilities as a result of interest rate fluctuations, which cannot be understood from accounting information.

In initiatives to evaluate economic value, we began disclosing embedded value (EV) when we listed our shares on the Tokyo Stock Exchange in 2010, and we began disclosing ESR after setting a target range from 170% to 200% in our mid-term management plan covering FY2015 to FY2017. Since introducing EV and ESR, we have worked to improve our measurement techniques in accordance with changes in the external environment including reflecting actual operating conditions as appropriate and capital solvency regulations.

Currently, the Insurance Capital Standard (ICS), which applies to internationally active insurance groups (IAIGs) and is being developed by the International Association of Insurance Supervisors (IAIS), and the economic value–based solvency regulation due to be introduced in Japan in FY2025 (the new regulation) are still in the process of finalization.

In preparation for the introduction of the new regulations, our three domestic life insurance companies—Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life—proactively adjusted their calculation methods to align with the new regulations starting from the end of FY2023.

Realization of capital circulation management

To pursue capital circulation management, we have sought to improve capital efficiency by reducing market risk at Dai-ichi Life and raising the rate of remittances from subsidiaries and by applying the surplus capital generated from this to shareholder payouts including share buybacks, and we have exercised discipline in allocating capital to strategic investments for future growth. We will also pursue the capital circulation management required to realize sustainable growth in the future by continuously allocating capital to growing markets where even higher growth is expected, while simultaneously stably generating cash flow from mature markets such as Japan. At the same time, we will strive for further evolution of capital circulation management by optimizing capital utilization and increasing earnings retained within the Group through intragroup finance including reinsurance.

Proactive Governance and Engagement

Main strategies for realizing capital circulation management: Risk reduction initiatives

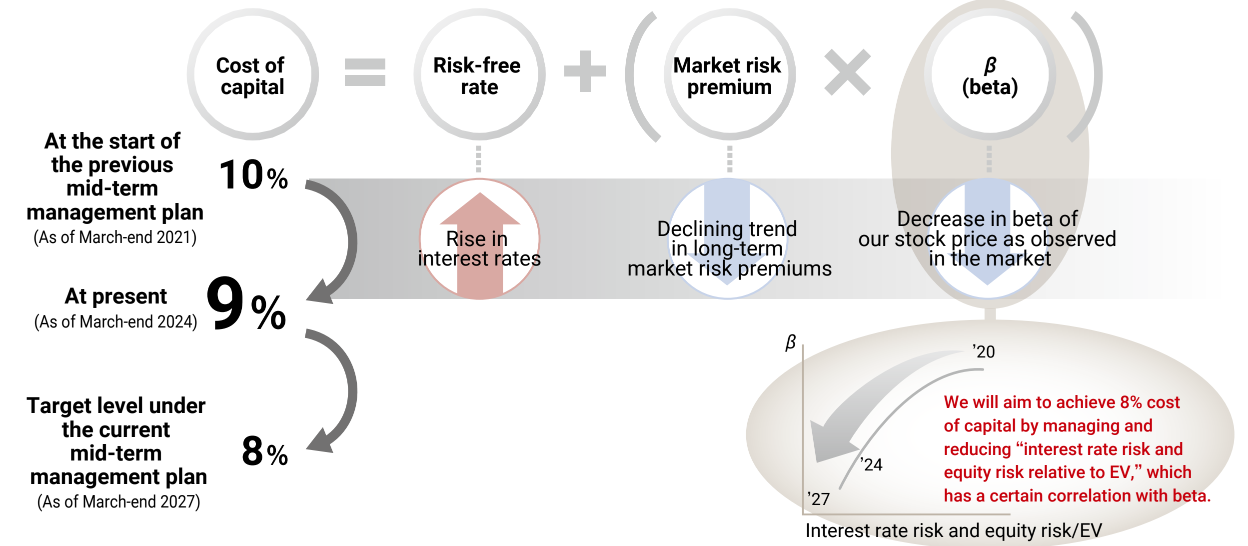
Our Group's cost of capital, which was 10% at the beginning of the previous mid-term management plan, is now 9%, reflecting the effect of the reduction in the cost of capital due to the progress made in market risk reduction over the period of the previous plan.

We aim to reduce this rate to 8% by the end of the new mid-term management plan through reductions in interest rate risk and equity risk.

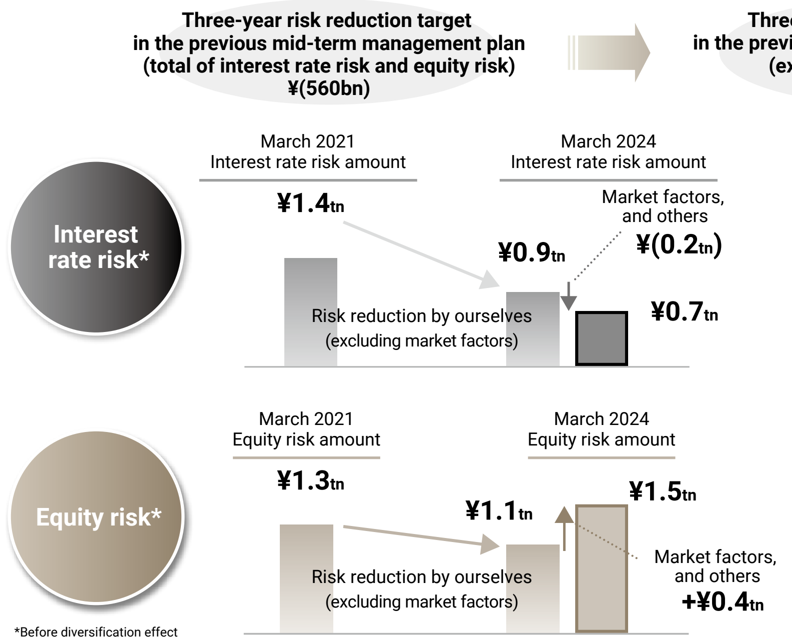
Over the period of the previous mid-term management plan (from FY2021 to FY2023), we reduced market risk by ca. ¥700bn, an achievement rate of 125% against the market risk reduction target for the period covered by the plan, which was formulated at the end of FY2020. In the new mid-term plan, the pace of equity risk reduction will be accelerated by reducing the domestic equity holdings of Dai-ichi Life by ¥1.2tn over three years.

In the wake of the new regulations scheduled to be introduced at the end of FY2025, we will not only reduce risk but also shift to risks where higher capital efficiency can be expected, thereby enhancing the level of capital circulation management that leads to enhancing corporate value.

Reduction in the cost of capital by reducing market risk



Review of market risk reduction and future plan



Review of the previous MTP

Interest rate risk was reduced beyond the initial plan through the purchase of ultra-long-term bonds, mainly through the purchase of ultra-long-term bonds.

New MTP policy

Interest rate risk will be minimized over the next five years through continuous reduction initiatives.

Review of the previous MTP

Equity risk increased as the market value of equity holdings rose despite the sale of shares.

New MPT policy

Domestic equities that Dai-ichi Life holds **to be reduced by ¥1.2tn** over three years (**equivalent to 30%** of the market value in March 2024), with additional sales to be made flexibly if the market value rises further in the future

Main strategies for realizing capital circulation management: Utilization of intragroup financing

Intragroup financing, especially intragroup reinsurance, implemented as part of efforts to ramp up capital circulation management has increased significantly since we established a reinsurance company. During the previous mid-term management plan, Dai-ichi Frontier Life and Neo First Life were both impacted by rising overseas interest rates and insurance payments related to COVID-19, but this has led to more effective utilization of capital, for example, utilization of intragroup reinsurance to efficiently improve the solvency margin ratio. TAL has been utilizing intragroup reinsurance with Dai-ichi Life, but the establishment of the reinsurance company has made it possible to expand the scope of intragroup reinsurance utilization and further reduce capital requirements. We will continue pursuing capital circulation management by implementing a range of measures including effective utilization of capital through reinsurance.

Remittance operation based on free cash

The amount of dividends remitted to the holding company from operating subsidiaries is determined based on the ESR range that we set and the free cash of those subsidiaries calculated taking the solvency regulation and accounting constraints in each country into consideration. The amount of dividends remitted in FY2023 was about ¥300bn, exceeding the initial forecast of ¥250bn, and as a result, the remittance rate was ca. 93% out of Group adjusted profit. Our Group adjusted profit forecast for FY2024 is ca. ¥340bn, and assuming a remittance rate of ca. 90%, we currently forecast remittances based on free cash of ca. ¥300bn.

FY2023 cash remittances (dividend remittances) from subsidiaries

	Remittance amount
DL	¥203.8bn
PLC*1,*3	ca. ¥8.7bn [US$58mn]
TAL*2,*3	ca. ¥59.3bn [AU$574mn]
Group	ca. ¥300.0bn

*1 Remittances from overseas subsidiaries such as PLC are accounted as if they are deposited in the next fiscal year of the HD similarly to domestic subsidiaries in this chart.
*2 Includes approximately ¥22.6bn in redemption proceeds from the redemption of outstanding preferred stock.
*3 Based on the exchange rate as of March 31, 2024.

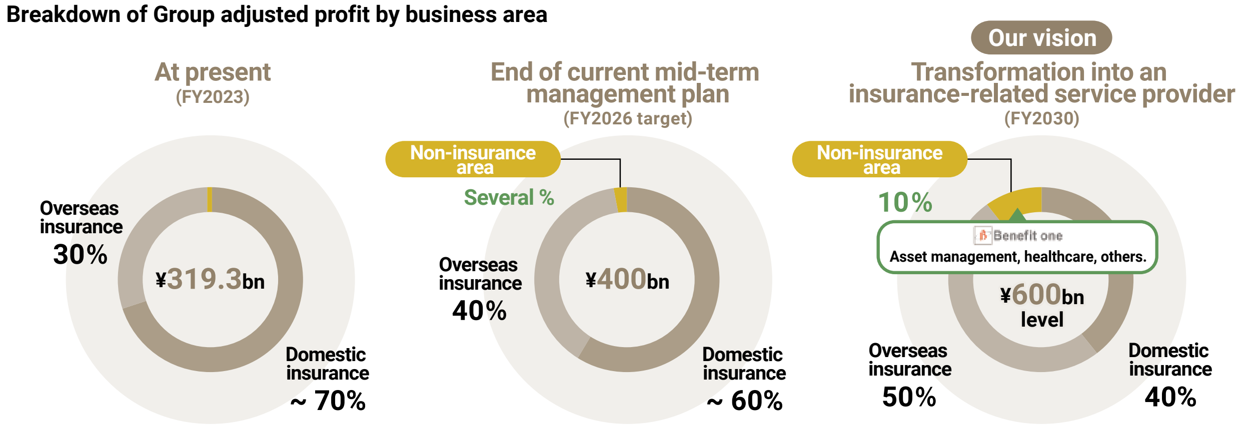
Business portfolio transformation

Our Group aims to continuously expand and diversify its business portfolio by expanding core businesses (protection, asset formation/succession) and exploring non-insurance areas such as asset management and new domains.

In FY2023, we made investments in companies in non-insurance areas, including Benefit One, which has the top employee benefit platform in Japan; Topaz Capital, an asset management company engaged in private debt management; and Canyon Partners Group, an alternative asset management company in the US.

As we continue to expand and diversify our business portfolio to raise the level of Group adjusted profit, we aim to increase the portion of the overseas insurance business to 40% by FY2026 and 50% by FY2030. We also aim to increase the portion of non-insurance areas, including the asset management business, to 10% by FY2030.

Breakdown of Group adjusted profit by business area



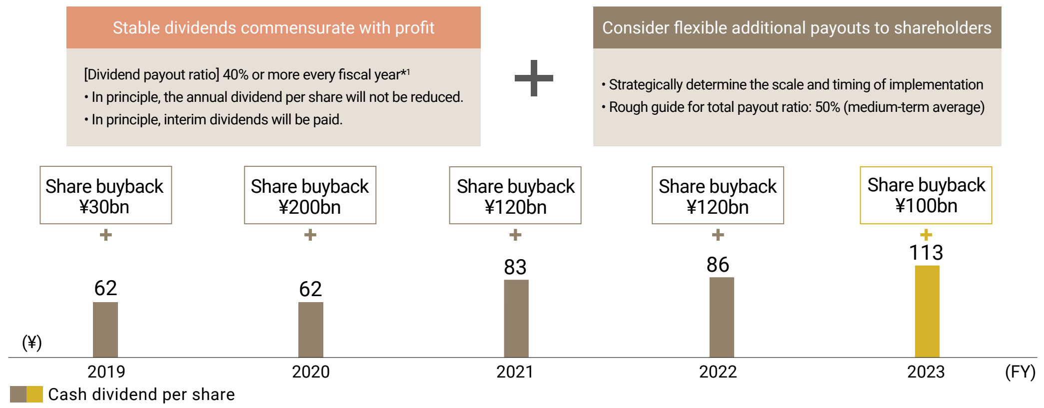
Shareholder payouts

During the period of the new mid-term management plan, the dividend payout ratio was raised from 30% to 40%, with early application beginning with the dividend at the end of FY2023. In addition, while setting the total payout ratio at a medium-term average of 50%, the Company will strategically consider and implement dynamic and flexible additional payouts through share buybacks, taking into account ESR, cash flow conditions, strategic investment opportunities, and the Company's stock price level.

For shareholder payouts in FY2023, we distributed a cash dividend of ¥113 per share, an increase of ¥27 from the previous fiscal year. In addition, we decided to execute share buybacks of ¥100bn, which will mean large-scale share buybacks for four consecutive years. In addition, interim dividends will be newly implemented from FY2024.

We will aim for further enhancement of shareholder payouts by strengthening the sustainable growth of Group profit and our ability to generate capital and cash.

Shareholder payout policy in the current mid-term management plan



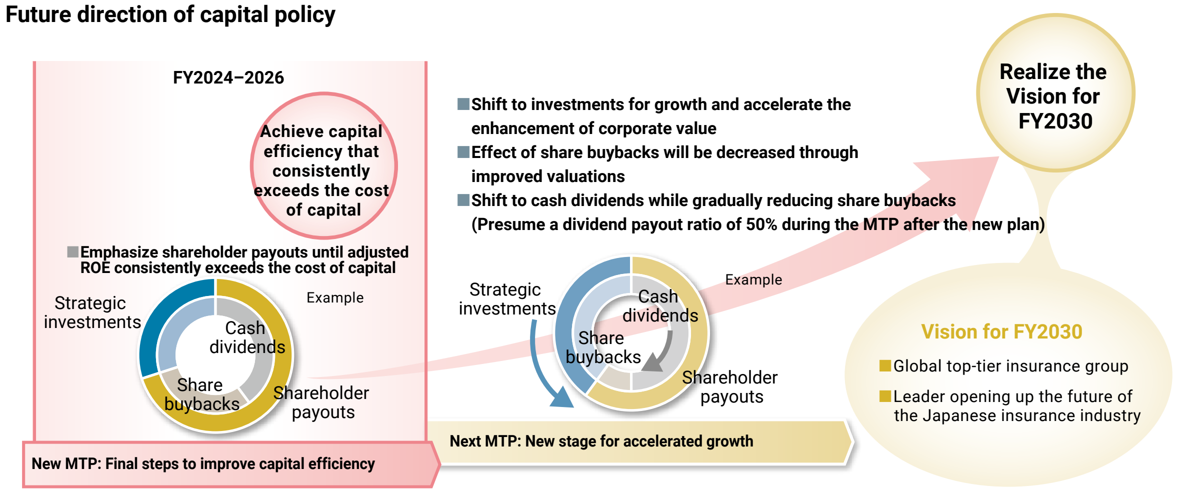
*1 The dividend payout ratio has been raised to 40% from the current mid-term management plan to realize stable shareholder payouts (early application from the dividend at the end of FY2023).

Capital policy to realize our Vision for FY2030

Our Vision for FY2030 includes the aspiration to be a global top-tier insurance group, and we have formulated the mid-term management plan by backcasting what we must accomplish over the next three years in order to reach the stage where we can accelerate our growth toward achieving this Vision. During the new mid-term management plan, we will focus on achieving capital efficiency that consistently exceeds the cost of capital. As a final step toward improving capital efficiency, we will prioritize shareholder payouts until the adjusted ROE consistently exceeds the cost of capital.

From the next mid-term management plan starting in FY2027, we will implement the capital policy of accelerating profit growth by increasing the dividend payout ratio while reducing share buybacks and emphasizing strategic investments, on the premise that capital efficiency will steadily exceed the cost of capital.

Future direction of capital policy



Strategy for Protection Business (Japan)

In keeping with our philosophy of "By your side, for life," we work with customers to create life designs and bring happiness to their lives from the perspectives of protection and asset formation/succession.

Managing Executive Officer
Group Head, Protection Business (Japan)
Makoto Goda

Vision

We aim to create customer value and social value by delivering the best protection for each individual and to create a sustainable business model.

Message from the Group Head of the Protection Business

In Japan, as changes in the social structure driven by a declining birth rate and an aging population become apparent and people's lifestyles, values, and consumption behavior diversify, we believe it is important to deliver personalized value based on the issues and needs of our customers, rather than taking a comprehensive view of the market as a whole.

In the area of protection, which delivers financial security, we consider it our social responsibility to provide the best protection for each individual customer based on their life planning issues and risk perception.

While the household life insurance coverage rate in Japan is high and widespread, there is a growing trend among young people to move away from insurance. If we fail to recognize specific future risks and fail to ensure the necessary protection, the protection gap will widen, which will not only increase the anxiety of future generations about their lives but could also make it difficult for each individual to realize the life they want to have.

In the Protection Business (Japan), we will continue to meet diversifying customer needs and pursue optimal solutions to close these protection gaps and work to demonstrate our social significance as a life insurance company. To this end, we believe it is necessary to refine the Group's product and channel strategies based on a market-in approach, with the customer as the starting point, in order to create the best possible customer experiential value (CX) for our customers. We play a complementary role to the social security system by providing insurance products that resonate with customers in the four categories of death protection, medical protection, income protection, and long-term care protection. Through the integrated value offering of "protection" and "asset formation/succession" in the era of 100-year life spans, we will collaborate with our customers to co-create life designs that help them achieve their desired lives.

In terms of sales channels, we will strengthen the face-to-face consulting capabilities of the sales rep channel of Dai-ichi Life, expand the product lineup in the agency channel including walk-in shops, and strengthen the digital direct channel.

We also recognize that in order to deliver protection to customers at the optimal times and across the right channels, it is important to combine the strengths of the real world (face-to-face consulting channel) and the advantages of the digital world (online contact points) to create better CX and improve the productivity of the sales channels.

Through these efforts, we will embody our "By your side, for life" brand message that has earned the trust of customers and aim for a sustainable Production Business (Japan) that continues to create customer value and social value.

Initiatives and results of the previous mid-term management plan

In the previous mid-term management plan (Re-connect 2023), we worked to build business processes that focus on CX through four experiential values including protection and the CX Design Strategy that unites them.

Dai-ichi Life has promoted an integrated reform of its products and consulting services by upgrading its consulting methods through the Total Life Plan, a life plan simulation linked to the social security system, and by renewing its product lineup. In addition, we have fundamentally reviewed our recruitment, training, and salary evaluation systems in the sales reps' channel, and have made improvements to systems to make the sales channel one that embodies CX through higher-quality consulting. Although these major reforms took time to take root, the effects have become steadily apparent.

In the group protection area, to meet the needs of companies and their employees, we have expanded our lineup of employee benefits programs by launching products such as "Smart Iryo," which provides a lump-sum payment to cover expenses in the event of hospitalization, and "Anshin My Package," which allows individuals to select the necessary coverage and complete the process digitally.

At Neo First Life, we launched products such as "Neo de Gan Chiryo" and "Neo de 3 Shippei Support," which help cover the costs associated with cancer and other major illnesses. As a result of our efforts to support our customers' "Wellness" (mental and physical well-being), the number of in-force policies reached 890,000 by the end of FY2023.

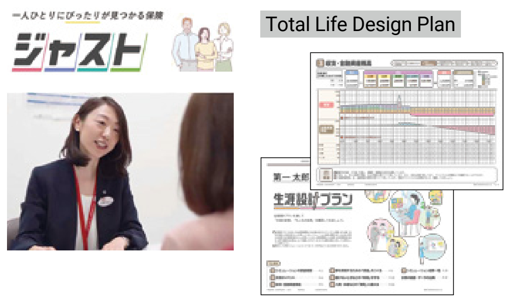
Dai-ichi Smart Small-amount and Short-term Insurance has expanded its lineup of "Digi-ho," a fully digital insurance product that allows customers to complete all procedures using smartphones and other devices, mainly targeting younger customers. This represents part of our efforts to create new value in the insurance experience.

While our efforts toward medium-term business model transformation, which began under the previous mid-term management plan, are still a work in progress toward our ultimate goal, we are steadily advancing. We will continue to accelerate the pace of this transformation, adapting flexibly to any potential environmental changes.

Multi-brand (Three domestic companies)	By your side, for life DAI-ICHI LIFE Dai-ichi Life Group	ネオファースト生命	第一スマート保険
Market	Core generation in need of protection	Comparison-oriented customers	Millennials and Generation Z
Products	Comprehensive lineup	Medical/health promoting products	Fully digital insurance
Main distribution channel	Sales reps	Independent agencies (e.g., walk-in shops)	Digital direct (e.g., smartphones)

Specific initiatives at our three domestic companies

Dai-ichi Life
Integrated product and consulting reform



Neo First Life
Supporting wellness for customers

Dai-ichi Smart Small-amount and Short-term Insurance
Expanding of the "Digi-ho" lineup

Strategy for Protection Business (Japan) in the mid-term management plan

Product strategy

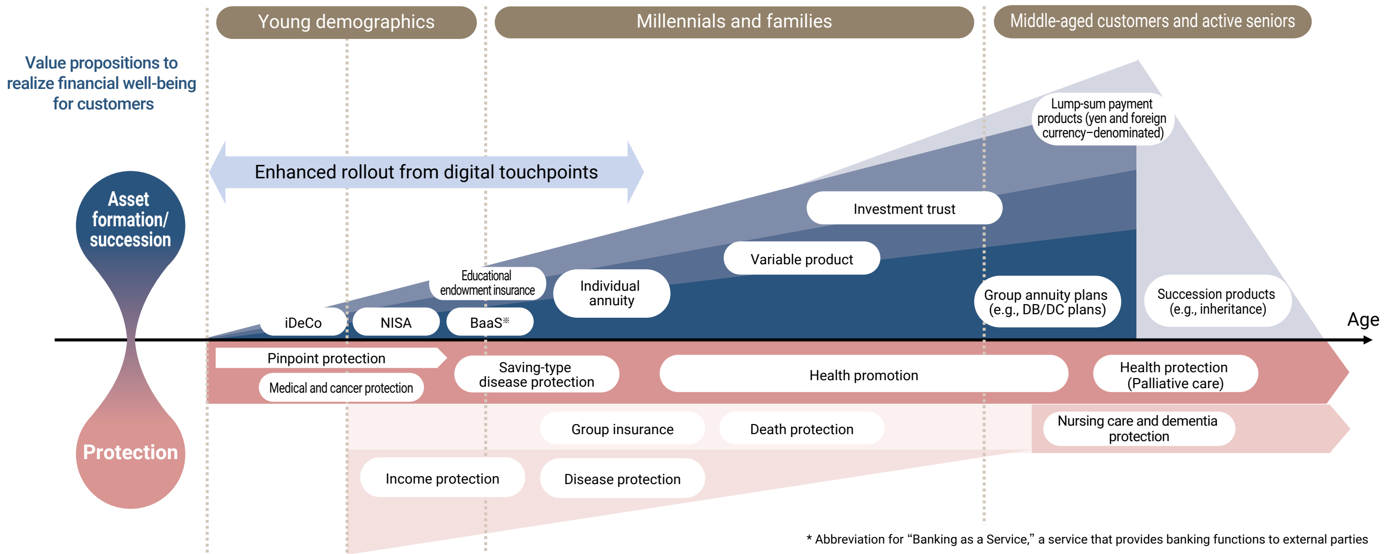
Under the mid-term management plan starting from FY2024, the Group aims to develop integrated value propositions based on both "protection" and "asset formation/succession" to help each and every customer achieve financial well-being. We will promote strategic product development by leveraging the strengths of each Group company in Japan.

At Dai-ichi Life, we launched the index-linked personal annuity insurance "Step Jump" in December 2023, followed by the whole life insurance "Towa Support" in March 2024, which provides lifetime coverage against three major illnesses, long-term care, and physical disabilities. We are promoting consulting services that address both "protection" and "asset ormation/succession," and these products have received positive feedback from many customers. "Towa Support" was developed in response to customer voices such as "I want lifetime coverage for major illnesses" and "I want a plan with cash value to meet sudden financial needs." Our aim was to directly meet the increasingly diverse needs of our customers.

At Neo First Life, under the new brand concept "Just Right, Just What You Need," we revised our main medical insurance product, "Neo de Iryo," in August 2024. The revisions included enhanced coverage for lifestyle disease prevention and the ability to provide necessary medical protection at lower premiums.

At Dai-ichi Smart Small-amount and Short-term Insurance, we are leveraging the features of fully digital insurance to provide a seamless insurance experience within customers' everyday consumption activities. We aim to meet explicit needs with products and explore initiatives such as embedded insurance schemes, where customers can purchase cancellation insurance when booking or buying airline tickets.

We will continue to work as a unified group to create value that resonates with our customers.



* Abbreviation for "Banking as a Service," a service that provides banking functions to external parties

Realize financial well-being for customers

Channel strategy

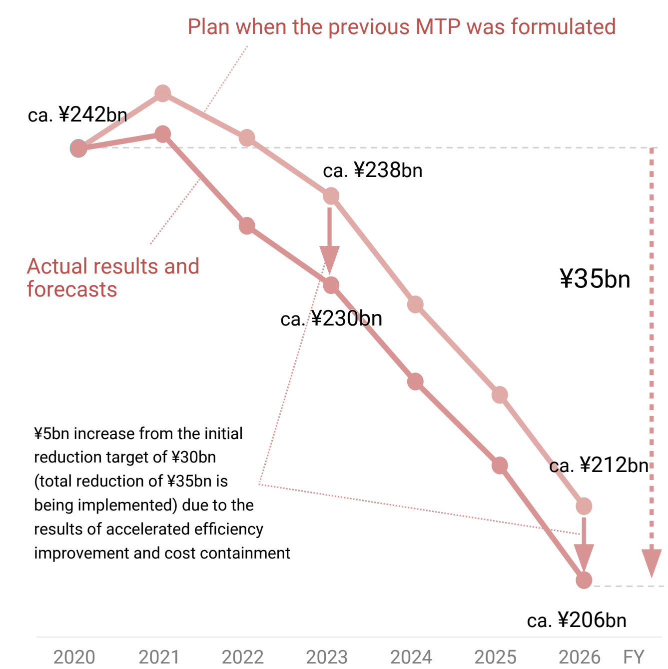
To deliver protection to our customers at the most optimal timing and through the most appropriate channels, we recognize the importance of integrating the strengths of real channels (face-to-face consulting) with the advantages of digital (online touchpoints), from the perspective of enhancing customer experience value and improving productivity.

Our Group is committed to strengthening the face-to-face consulting capabilities of Dai-ichi Life's sales rep channel; expanding the product lineup in the agency channels, including walk-in insurance shops; and enhancing our digital direct channels.

Dai-ichi Life has begun development of an avatar powered by generative AI, serving as a digital buddy to support sales activities in the sales rep channel. The avatar will assist in providing information during customer interactions and advise on the best actions to take going forward. We are working on centralizing customer information and aim to enhance customer understanding and improve productivity by building a data-driven sales system that leverages AI technology in the future.

Efforts to reduce operating expenses

Fixed costs for the existing business of Dai-ichi Life



Given the declining working-age population due to the low birth rate and aging society, significant future growth in the domestic life insurance market is unlikely. Therefore, we recognize the importance of pursuing productivity and efficiency more than ever. While actively investing in future initiatives such as digital transformation (DX), we will continue to improve business efficiency in existing areas.

Dai-ichi Life is working to optimize the allocation of branches and sales offices nationwide, strategically review the allocation of human resources, and improve the efficiency of various administrative workflows using digital technology. As a result, fixed-cost reductions in existing businesses are progressing faster than were planned when the previous mid-term management plan was formulated.

In addition, Neo First Life has been taking steps to strengthen its efficient sales promotion and support systems for independent insurance agencies, and productivity per sales rep is steadily increasing.

We will continue to promote products and channel strategies that resonate with customers, while driving DX across the value chain and advancing business efficiency at each Group company. Through these efforts, we aim to contribute to the sustainable growth and enhancement of corporate value for the entire Group.

Strategy for Retirement, Savings and Asset Management Business

We aim to improve the financial well-being of our customers and drive the growth of the Group by providing personalized services with advanced investment and consulting capabilities to meet the asset formation/succession needs in an era of 100-year lifespans.

Managing Executive Officer
Group Head, Retirement, Savings and Asset Management Business
Takashi Iida

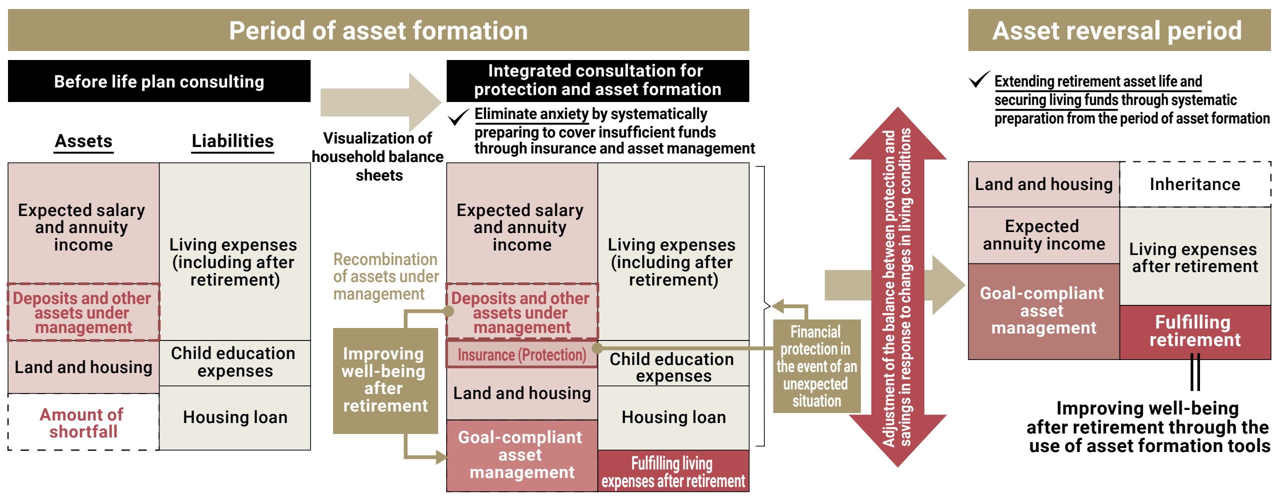
Vision

- Total consulting on household finances, including asset formation/succession
- Strong investment capabilities through the use of alternative investments, etc., and Group-wide asset management strategy
- Enhancing corporate value through the expansion of the asset formation/succession domain

Message from the Group Head of the Retirement, Savings and Asset Management Business

As we enter the era of 100-year life spans and as individual values become more diverse, it is increasingly important for customers to have personalized plans and preparations in the field of asset formation/succession. In particular, with the progression of longer life expectancies, there is a growing concern about the risk that the longevity of financial assets (the age at which financial assets such as savings and pensions are depleted) might not match an individual's life span, leading to greater anxiety about retirement funds. Extending asset longevity through individual efforts has become a pressing social issue.

We believe that the life insurance business comprehensively contributes to stable household asset formation, in that it plays a role not only in supporting the risk of loss of household assets due to a decrease in household income or an increase in expenses caused by a customer's illness or other cause (protection-type products) but also in building household assets for the future (saving-type products). We also believe that our strength as an insurance company lies in our ability to visualize the balance sheet of households and to simultaneously demonstrate the necessity and effectiveness of insurance as an off-balance-sheet asset in addition to necessary asset rebalancing (consulting on both protection and asset formation). In addition, as customers' needs diversify in response to changes in the social environment and technological innovations, we will work from the asset formation/succession domain to transform ourselves into an insurance-related service provider that provides not only insurance products but also means to help customers solve their problems.



Financial Well-being for All
Healthy People and Society

The Group is engaged in a wide range of businesses in the asset formation/succession domain, including a savings and investment trust business for individuals, group pension businesses, and a bancassurance business, as well as asset management and real estate. The asset formation/succession domain is expected to continue to grow at a high rate in response to the government's "doubling asset-based incomes plan" and other measures. In addition, because of its higher capital efficiency compared to the traditional life insurance business, we believe that growth in this domain will drive the Group's overall growth in corporate value. We intend to efficiently capitalize on the growth opportunities in the asset formation/succession domain as they continue to emerge with a sense of speed, while bringing together and demonstrating the strengths of each business and incorporating external growth. We aim for this domain to contribute more than 25% of the Group's targeted Group adjusted profit of ¥600bn by FY2030, including about half of the domestic insurance area and the asset management business in the non-insurance area.

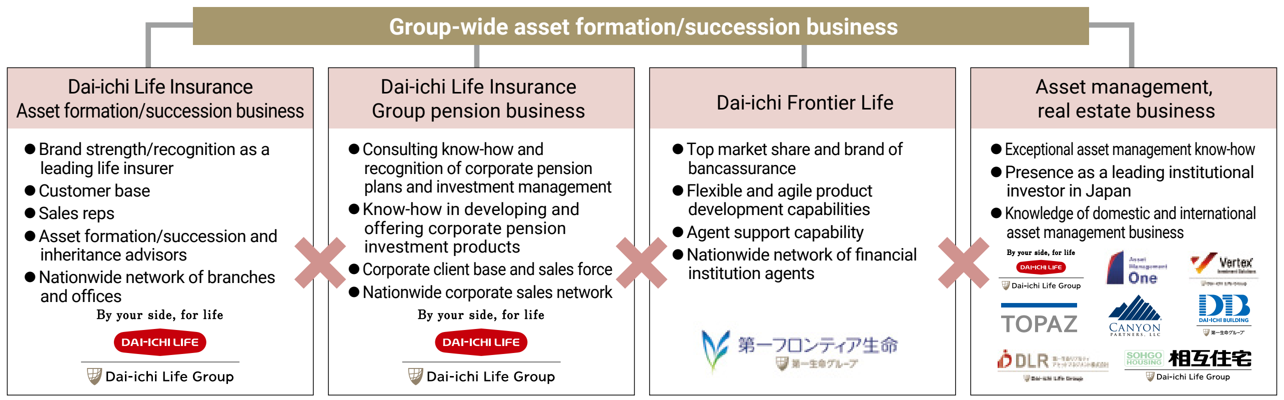
As an insurance group that provides products and services to support stable asset formation by households, as both an asset owner and asset manager, and as one of the entities that make up the financial and capital markets, the Group intends to fulfill its roles and responsibilities throughout the investment chain and contribute to the realization of an asset management–oriented country, the growth of the domestic economy, and the buildup of customers' asset income.

We will accelerate the development of human resources capable of providing consulting services that are tailored to customer needs in terms of both "protection" and "asset formation/succession" based on the life plans of each customer. At the same time, we aim to enhance our products and services to support the needs of customers at each stage of their lives, such as asset formation for younger generations, the extension of asset life expectancy for middle-aged and older generations, and asset succession for the next generation. Moreover, we strive to consistently earn and maximize investment income that meets customer expectations through the investment of insurance premiums and other assets entrusted to us by our customers. We will support our customers' asset formation through long-term and stable investment income based on our business characteristics as a life insurance company by further diversifying and upgrading asset management instruments and products, and by utilizing M&As.

As one of the leading institutional investors in Japan, we will also work to revitalize the financial and capital markets and solve environmental and social issues. We will strive to realize a sustainable and resilient environment and society through stewardship activities including dialogue with portfolio companies, ESG investments and loans, and proactive financing of growth areas, taking advantage of the characteristics of the life insurance business that enable us to supply funds over the medium to long term.

Initiatives and results of the previous mid-term management plan

The Group has been working to strengthen and expand product competitiveness, enhance consulting functions, and strength digital points of contact with customers.



Dai-ichi Life has begun offering a new plan for iDeCo, known as "Dai-ichi Life iDeCo Mirai-deco." We have also started training asset formation/succession and inheritance advisors who handle iDeCo and investment trusts in addition to insurance products centered on protection products. As of the end of March 2024, we have certified more than 300 advisors, enabling us to perform consulting activities in terms of both protection and asset formation/succession. In addition, we have launched the digital platform service "Asset Formation Plus" to encourage people to think about asset formation/succession in their daily lives by providing advice and information on how to extend the life of their assets through the use of digital functions. The "Asset Formation Plus" service improves digital services by providing net banking services utilizing BaaS (Banking as a Service) provided by SBI Sumishin Net Bank and Rakuten Bank. We are also strengthening our digital services by offering a simple, highly functional asset life simulation tool that incorporates a household account book function and a robot advisor.

We are also working to improve the competitiveness of saving-type products designed for the era of 100-year life spans, strengthen our product development capabilities, and enhance and expand our asset management business by expanding our investment functions. Vertex Investment Solutions has been established as a new asset management company under the Group. The company offers investment functions and solutions based on advanced financial engineering techniques (quantitative strategies). In the Asset Management Business, we have invested in domestic and overseas asset management companies (Topaz Capital and Canyon Partners) that have strengths in areas such as private debt investment to strengthen our asset management functions in the high-growth and highly profitable alternative asset area. We expect to secure a source of competitiveness and differentiation in the insurance business by improving the Group's investment yield. Meanwhile, we will create synergies within the Group by reducing outsourced investment costs that flow out of the Group.

Dai-ichi Life has launched "Step Jump," an index-linked annuity that utilizes the quantitative investment expertise of Vertex Investment Solutions, while Dai-ichi Frontier Life has launched "Premier Present 3," which functions both as an asset management and protection product for death, dementia, and nursing care, as well as "Premier Receive 2," which meets the needs of asset succession. In these ways, the Group works together to deliver the experimental value of the asset formation/succession experience to as many customers as possible. Dai-ichi Frontier Life meets a wide range of customer needs, maintaining the leading share in the bancassurance channel in FY2023.

Retirement, Savings and Asset Management Business strategy in the mid-term management plan

Overall strategy

To respond to the diversifying needs and values of customers in the asset formation/succession domain, we believe it is important to further accelerate our efforts to enhance and expand product competitiveness, upgrade consulting functions, and strengthen digital contact points, as well as to develop highly convenient services from the customer's perspective.

In addition to the medium- to long-term investment expertise and saving-type product development capabilities cultivated by Dai-ichi Life and Asset Management One, we draw on the expertise and agility of Vertex Investment Solutions, Topaz Capital, Canyon Partners, and others to expand our lineup of highly competitive products that support the asset formation/succession needs of customers. In the Group Pension Business, we have been aiming to expand our fee business as a stable source of income independent of the interest rate environment, such as the Separate Accounts products sales business for DB pension funds and DC and investment trusts. However, in light of the current interest rate environment, we will also consider expanding sales of the spread business (interest rate–guaranteed products) to meet customers' needs for guaranteed principal.

Furthermore, to provide optimal solutions to each customer, we believe it is important to provide consulting services that are tailored to the customer's lifetime with regard to both protection and asset formation/succession. In particular, it will be critical for us to refine our consulting services for customers in the pre- and post-retirement periods, when the need for asset management and asset succession is growing. We will continue to promote consulting activities from both protection and asset formation/succession perspectives, including the expansion of asset formation/succession and inheritance advisor systems, and the expanded iDeCo services by sales rep channel.

To make our "Asset Formation Plus" and BaaS-based net banking services more convenient and attractive for customers to use on a daily basis, we will continue to enhance the functions that support customers' asset formation/succession by utilizing external services and functions that have a proven track record in the digital domain.

By combining the strengths of the Group, actively considering alliances and M&As with companies outside the Group, and embarking on new initiatives while strengthening the value chain, we will remarkably enhance our CX in the area of asset formation/succession, seeking to realize our customers' everyday well-being and address social issues.

In addition, the Group strives to earn and maximize investment income that meets customer expectations from both the standpoint of an asset owner that manages insurance premiums entrusted by customers and the standpoint of an asset manager that provides optimal solutions to a wide range of customers from other asset owners to households. We also recognize the role we play in returning the results of those efforts to markets and household finances. We will continue to leverage M&As and other opportunities, monetize our asset management expertise, and further diversify and upgrade our asset management methods and products, in order to return profits to household assets through long-term, stable investment income based on our business characteristics as a life insurance company.

Strengthening and expanding product competitiveness	Enhancing consulting functions	Strengthening digital points of contact with customers
Investing know-how, expertise, and agility + The Group's product development capabilities ▼ Expand the highly competitive product lineup that facilitates asset formation/succession (e.g., saving-type products, group pension products)	Expanding the asset formation/succession and inheritance advisor (SSSAD) system Accelerate the development of human resources capable of providing integrated consultation on protection and asset formation/succession in the face-to-face channel, which used to focus on life insurance sales Scale up to 1,700 advisors by the end of FY2026 (human resources distinct from existing sales reps)	New points of contact with customers through BaaS and asset formation platforms Support customers' asset formation/succession through the use of account functions, daily contact building, and visualization of current and future income and expenses Number of BaaS accounts opened (cumulative) (89,000 as of July 2024)

Asset management strategies of the Group's life insurance companies

The life insurance companies of the Dai-ichi Life Group manage ca. ¥50tn in insurance premiums entrusted to us by customers in Japan. As invested assets are the source of future insurance benefits, individual annuities, corporate pension funds, and so on, we aim to obtain long-term and stable income in accordance with the characteristics of the assets, and we conduct asset portfolio construction based on strict risk management (integrated asset and liability management: ALM).

In addition, we have been working to upgrade and diversify our investment methods in the changing financial market environment, such as the continuing low interest rate environment. Led by Dai-ichi Life, we have actively invested not only in traditional assets such as government and corporate bonds but also in selective credit investments and alternative assets such as infrastructure, private equity, and real estate, which ensures profitability while also strengthening portfolio risk diversification. We will continue to improve the Group's internal structure and develop asset management personnel, while utilizing outsourcing to highly specialized and distinctive external asset management providers, with the aim of achieving further long-term and stable earnings.

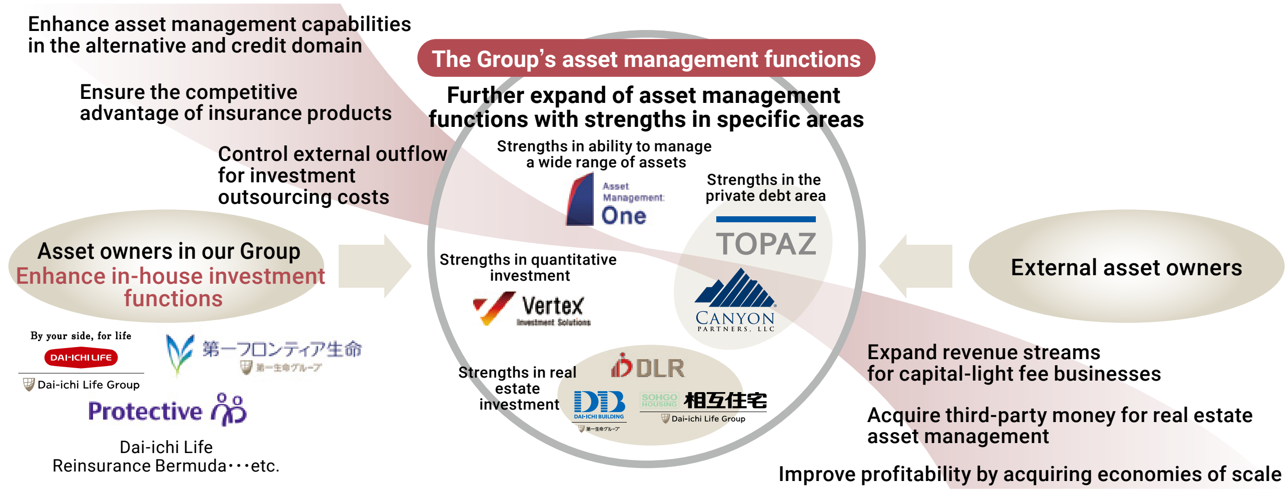
Asset management and real estate business strategy

The Group's asset management and real estate business is committed to providing optimal solutions to a wide range of customers, from other asset owners to households.

In addition to Asset Management One, which is one of the largest asset management companies in Japan and develops and provides investment products that meet the needs of a wide range of clients, we have recently established Dai-ichi Life Realty Asset Management, which provides investment opportunities focusing on real estate properties, and Vertex Investment Solutions, which provides sophisticated investment products by leveraging its quantitative management expertise.

Moreover, to incorporate investment capabilities that are lacking in the Group from the perspective of providing optimal solutions, we are pursuing inorganic growth through initiatives such as the acquisition of Topaz Capital, which specializes in private debt investments, and the investment in Canyon Partners, which is strong in private debt and CLO investments.

We will continue to enhance our asset management capabilities by integrating the expertise of unique asset managers both domestically and internationally, and aim to improve the Group's overall investment strength through these synergies.



Strategy for International Life Insurance Business

We will expand our business by strengthening our governance structure, engaging in proactive M&A activities, and enhancing human resources with expertise, all with the aim of achieving a brighter and more secure future for our customers around the world and developing the insurance business in each country.

Representative Director, Senior Managing Executive Officer
Group Head, International Life Insurance Business
Hitoshi Yamaguchi

Vision

- Contribute to the brighter and more secure future of our customers around the world and the development of the insurance business in each country
- As a growth driver of the Group, contribute to the enhancement of corporate value
- Generate adjusted profit of ¥160bn (40% share of the Group) from the International Life Insurance Business in FY2026

Message from Group Head of the International Life Insurance Business

My name is Hitoshi Yamaguchi, and I have been Group Head of the International Life Insurance Business since April 2024. As Group Head, I will work to achieve the Group's Vision for FY2030 by ensuring our role as a growth driver for the Group as well as our contribution to enhancing our corporate value. In this section, I would like to touch upon our action plan.

The history of our International Life Insurance Business dates back to our entry into Vietnam in 2007, and we have since expanded into markets at different business stages for a well-balanced portfolio of businesses: stable markets in developed countries such as the US, growing markets such as India in the Asia-Pacific region, and early-stage emerging markets where business expansion in the long run is expected.

Under the previous mid-term management plan (Re-connect 2023), we added Partners Life in New Zealand as a subsidiary, bringing the number of international life insurance Group companies to nine. In addition, we have been exploring opportunities to expand in existing business areas and invest in digital projects.

As a result of the solid growth of our international business since 2007, over the three years of the previous mid-term management plan, the International Life Insurance Business generated around ¥230bn of adjusted profit, which accounted for ca. 30% of the Group adjusted profit.

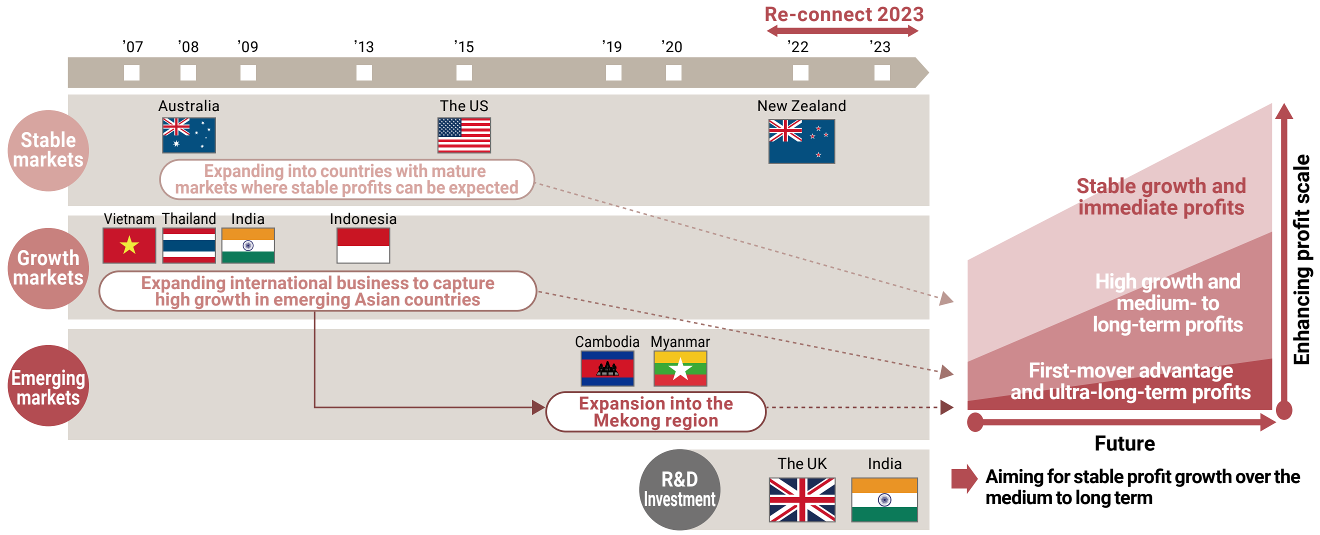
The history of our International Life Insurance Business to date is also a history of promoting our Values (We care/We do what's right/We innovate) overseas. Currently, we have more than 37mn overseas customers, and I believe that we have contributed to the penetration of the insurance business in each country.

The environment surrounding the International Life Insurance Business is changing at great speed, for instance, with new regulations such as ICS (Insurance Capital Standard) and IFRS 17, growing awareness of fiduciary duty mainly in Asia, and changes in consumer behavior through accelerated digitalization, initiatives related to climate change, and geopolitical and human rights risks. These factors make it hard to predict the future. In managing our business under these circumstances, I have three major pillars as Group Head. The first is to develop and execute a sustainable International Life Insurance Business growth strategy under a matrix-type governance structure and in closer collaboration with the CxOs. Second, we will proactively engage in further M&A activities, including those in new business areas, by mobilizing the Group's organizational capabilities and external expertise. Third, to build an operating structure that is resilient to environmental changes, we will develop and appropriately assign a large number of professional and managerial talent. We will pursue various initiatives based on these three major pillars.

In the International Life Insurance Business, by working together with Group companies around the world to build a brighter and more secure future for customers in each country, we aim to increase adjusted profit to ¥160bn and its proportion within the Group to 40% in FY2026. As Group Head, I will remain committed to the development of the insurance business in each country and to the enhancement of corporate value, keeping our Purpose in mind.

Financial Well-being for All
Healthy People and Society

History of the International Life Insurance Business



Re-connect 2023 | Review of expansion efforts

We steadily strengthened existing businesses through M&As by overseas subsidiaries and through the expansion of bancassurance alliances. Protective in the US completed its acquisition of AUL (2022) and TAL in Australia completed its acquisition of Westpac Life (2022). For the three companies operating in the Mekong region (Vietnam, Cambodia, and Myanmar), we sought to strengthen our customer reach by renewing or concluding bancassurance agreements.

Protective — **AUL Acquisition** →Diversification of revenue sources, stabilization of earnings

TAL — **Westpac Life Acquisition** → Expansion of market share in the insurance protection sector

DAI-ICHI LIFE Gắn bó dài lâu. / Dai-ichi Life Cambodia / Dai-ichi Life Myanmar — **Renewal and conclusion of bancassurance agreements** →Strengthening of distribution channels

Re-connect 2023 | Review of exploration efforts

Steady progress was also made on initiatives to diversify and expand the business portfolio through expansion into new geographic areas, as well as to acquire organizational capabilities in the digital domain. We added Partners Life in New Zealand as a subsidiary (2022) and made investments in YuLife in the UK (2022) and RenewBuy in India (2023), which have strengths in digital technologies.

New Acquisition in New Zealand

partners life

Joined the Group in August 2022

Digital and R&D investment in the UK and India

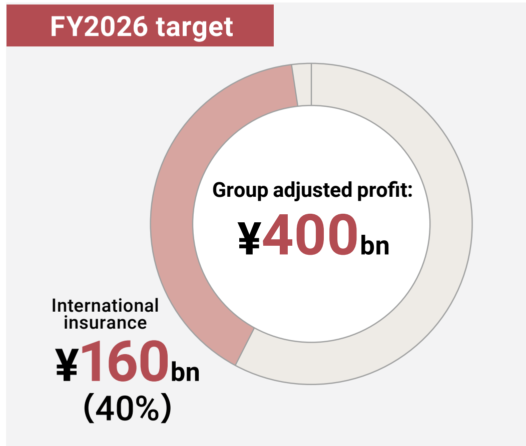
yu life — July 2022 investment

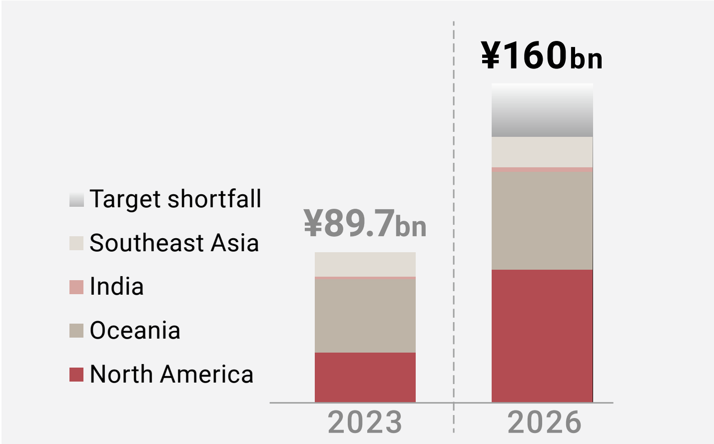
RenewBuy — July 2023 investment

Initiatives in the current mid-term management plan

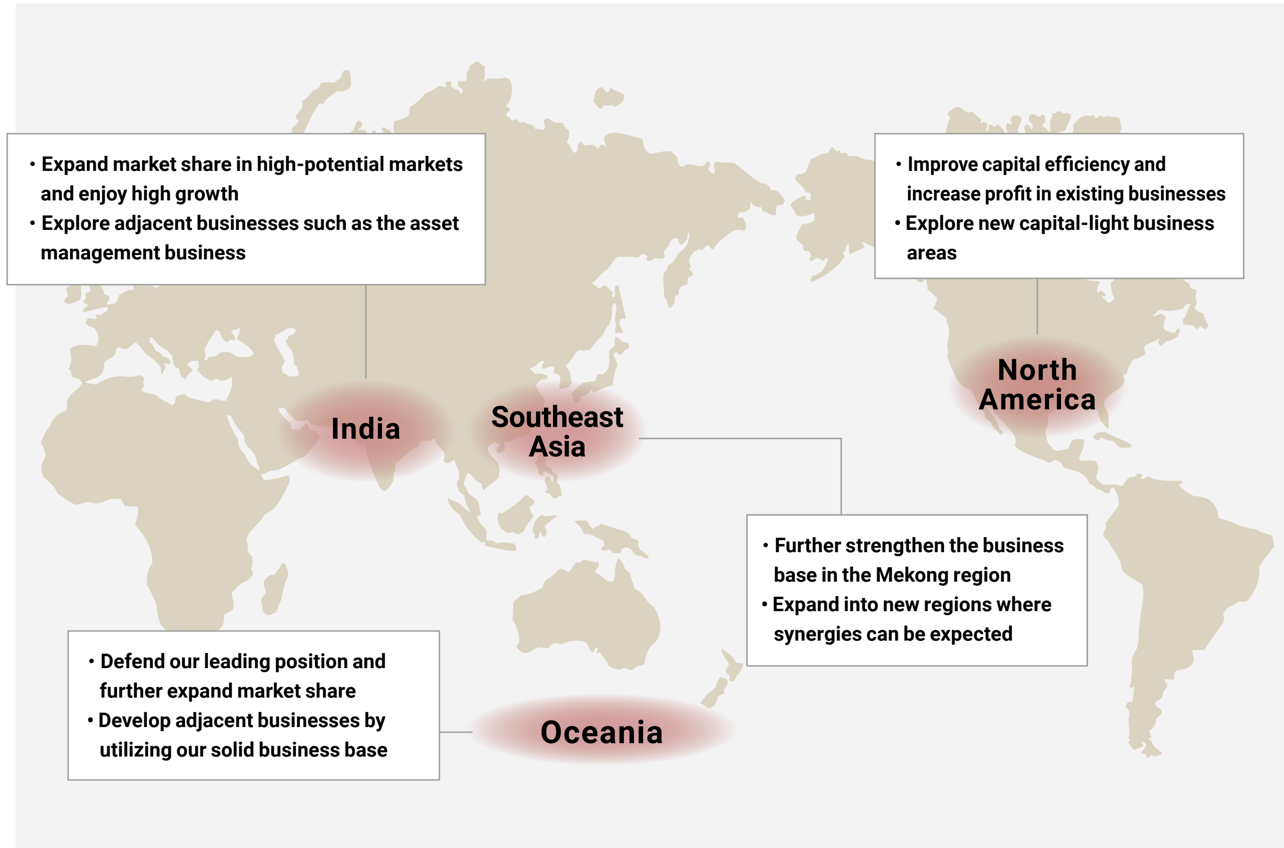
In the International Life Insurance Business, we will take steps to improve capital efficiency and increase profit contribution based on strategies formulated in consideration of the market size, business stage, and market position of each company.

With respect to the profit targets set forth in the current mid-term management plan, any shortfall in the organic growth of our existing business will be covered by inorganic growth through M&As and other initiatives.





Initiatives by region

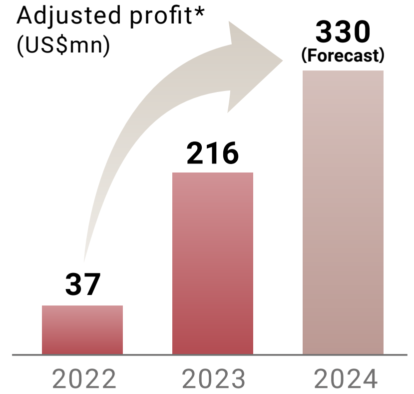


Financial Well-being for All
Healthy People and Society

Business growth in the world's largest market, the US (Protective)

The US is the world's largest life insurance market and is expected to continue to grow steadily on the back of population and economic growth. Since 2015, Protective has been engaged primarily in retail (e.g., protection, retirement) and acquisition businesses. In recent years, private equity–backed insurance companies, which differentiate themselves in terms of asset management strategy, have increased their presence in the US retirement and acquisition markets. Under these circumstances, Protective has maintained a certain level of operating profit, but adjusted profit continued to decline over the past two years due to rising US interest rates and losses related to the securities of failed US banks.

Protective will work to improve capital efficiency and increase profit while returning to a growth track through the following initiatives.



*The losses related to US banks failures, etc. in 2023 were reflected as adjusted subsequent events in the Group consolidated results for FY2022

Initiatives to return to a growth track

Expand sales the retail business

■ In the protection and retirement market, we will continue to expand sales by promoting the timely provision of products based on customer needs in cooperation with various sales partners, including independent advisers and property and casualty insurance agents.

Realize new acquisitions

■ We will pursue inorganic growth by exploring acquisition opportunities in new capital-light business areas (e.g., group insurance business).

■ In April 2024, we announced that Protective signed an acquisition agreement with ShelterPoint Group, Inc., which operates an employee benefit business in the US. This acquisition creates a new line of business and is expected to diversify our business and contribute to profit (boosting Protective's net profit by about $40mn–$50mn in the medium to long term).

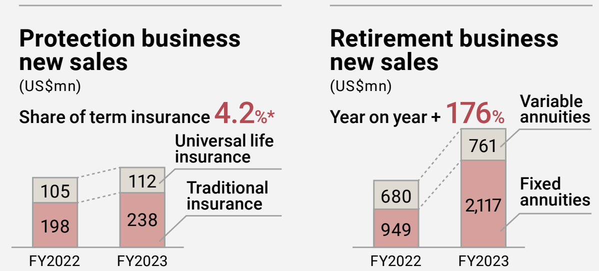
Strengthen investment capability

■ We will work to enhance our investment management, including the use of external experts in alternative assets to increase investment income.

■ We will share the credit risk management expertise of our Group companies in Japan and work to strengthen our risk management and monitoring framework.

Improve capital efficiency

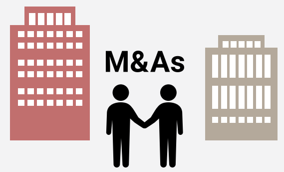
■ In addition to the above, we will promote the use of reinsurance and cost-reduction initiatives to improve capital efficiency and reduce market risk.



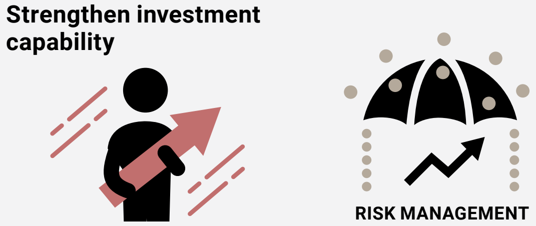
*LIMRA U.S. Retail Individual Life Insurance Sales - Single Life 2022

Realize new acquisitions

Pursue inorganic growth including exploring new capital-light business areas



Strengthen investment capability

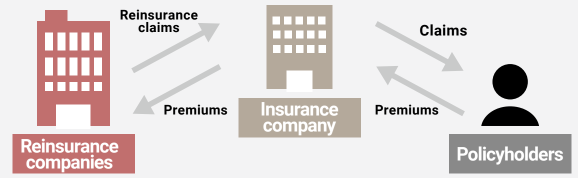


Enhance investment capability

Strengthen investment risk management

Improve capital efficiency

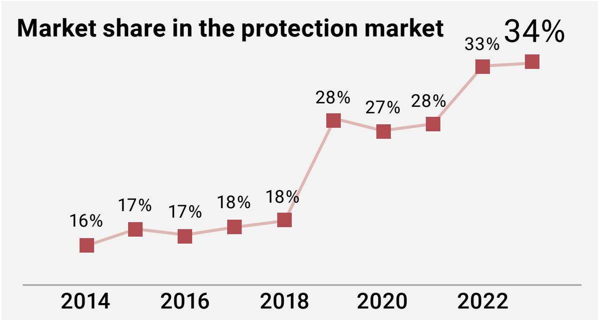
Improve capital efficiency by using reinsurance ceded/ Market risk reduction

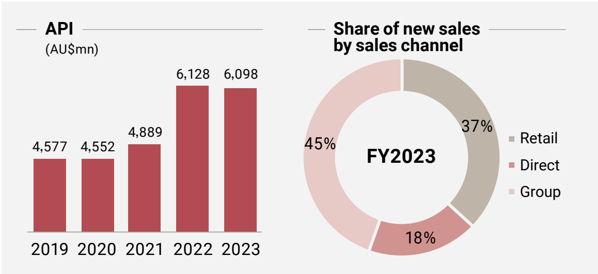


Growth journey in the Australian market (TAL)

Australian life insurance market leader

The Group first expanded into Australia with an investment in TAL (TOWER Australia Group) in 2008 with TAL becoming a wholly owned subsidiary in 2011. Since the initial investment, TAL has grown to become the leading life insurer in Australia, protecting more than 5mn customers today. The strength of TAL's business resulted in the company maintaining the No. 1 position in the Australian life insurance protection market for the last 10 consecutive years (by Annualized Premium In-force, API).





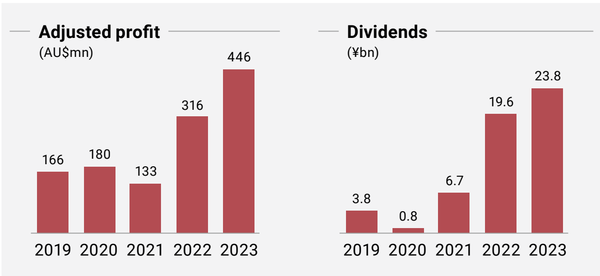
Growth in a challenging environment

The last few years have seen significant shifts in the regulatory and market landscape that have challenged the growth of the Australian life insurance market. The life insurance market totaled ca. AU$18bn in FY2023, experiencing API growth of 1% p.a. over the last five years. In contrast, TAL achieved average API growth of 12% p.a. over that same time frame to solidify its No. 1 position.

The success has been underpinned by organic and inorganic growth supported by the Group under a diversified distribution model. TAL has established long-term relationships with large superannuation funds, which have accelerated organic premium growth. The acquisitions of InsuranceLine (2008) and Lifebroker (2013) advanced TAL's presence in the direct-to-consumer channel and the more recent acquisitions of Suncorp's (2019) and Westpac's (2022) life insurance businesses have also served to solidify TAL's position in the individual life channel.

Stable profitability and cash contribution

TAL's diversified portfolio and competitive standing has enabled the company to deliver stable performance and value to the Group. In the last five years, adjusted profit has grown steadily and the company has provided ¥54.7bn of dividends.



Aiming Higher with Initiatives

Extending into retirement

TAL took the first steps to expand its protection products to include retirement solutions by entering into a retirement partnership with AMP, one of the largest superannuation funds, in October 2022. TAL continues to actively engage in the retirement market in order to provide more value to customers and is partnering with superannuation fund partners to meet the retirement needs of their members.

Enhancing customer experience through technology

As part of TAL's efforts to continually improve experiences for customers, partners, and their members, TAL continues to invest in technological capabilities. Claims is one area of focus where the company is investing in its technology to reduce operational complexity and automate the claims experience. TAL has also developed a digital platform within the Group Life Business and is focused on expanding the platform capabilities and integrating it into Group Life partner systems to provide members with leading life insurance digital experiences.

Initiatives to strengthen Group management through optimal allocation of talented human resources

CEO, DLI Asia Pacific
Brett Clark

2008: Joined TAL
2015: Group CEO & Managing Director of TAL
2024: Senior Managing Executive Officer of Dai-ichi Life Holdings
Appointed CEO of DLI Asia Pacific

Assignment of overseas talent

Through its acquisitions, investments, and external recruitment activities to date, the Group has acquired management personnel with global knowledge and expertise.

We also appoint top management personnel who have achieved outstanding results at international Group companies to serve as executives of or advisors to Dai-ichi Life Holdings or regional headquarters after they retire from the top management positions at those companies, in order to incorporate their global knowledge and management experience into the management of the Group. Most recently, we appointed Brett Clark, who was Group CEO & Managing Director of TAL in 2024, as an executive of Dai-ichi Life Holdings and CEO of the regional headquarters, DLI Asia Pacific.

Since becoming Group CEO & Managing Director of TAL in 2015, Mr. Clark has demonstrated exceptional leadership in the fast-changing Australian life insurance market, expanding the business through alliances and acquisitions of other life insurers to further solidify its position as the leader in the protection market.

Global Leaders Committee (GLC)

The Group has established the Global Leaders Committee (GLC) as a dialogue session for senior management from our international Group companies and Dai-ichi Life Holdings executives to discuss Group management strategies and business strategies, and share the Group Principles and initiative directions.

In FY2023, the GLC added the CxOs of Dai-ichi Life Holdings as new members and held strategic discussions from both business and functional perspectives. Most recently, the GLC has been discussing the direction of the current mid-term management plan as part of activities to leverage the global knowledge of each executive in the planning process. Through the GLC, we will continue our efforts to enhance the sophistication of Group management and further foster a sense of Group unity.

Strategy for New Fields of Business

We are transforming ourselves into an infrastructure company that transcends the traditional insurance business, and we are striving to improve the well-being of our customers through health insurance association services and employee benefit platforms.

Executive Officer
Group Head, New Fields of Business
Akifumi Kai

Vision

- Transform into an insurance-related service provider
- Contribute to the well-being of each and every customer through the ecosystem
- Enhance the Group's corporate value through expansion into non-insurance fields

Message from the Group Head of the New Fields of Business

I am Akifumi Kai, and I have been serving as Group Head of the New Fields of Business since April 2024. In that role, I will support customer well-being in value propositions other than insurance by expanding into new fields of business such as healthcare and employee benefit platforms. I will also do my utmost to increase the contribution of non-insurance businesses (new businesses + asset management) to 10% of the Group adjusted profit by FY2030. In this section, I would like to talk about the New Fields of Business being pursued by our Group as I envision that.

In Japan, the social environment continues to change with an accelerating population decline, a falling birth rate, an aging population, and the diversification and segmentation of values. Given this environment, we recognize that life insurance is a mature industry. At the same time, we believe that there are various business opportunities given the tight labor market and the rapid evolution of digital technology. For the Group to continue to contribute to society and grow sustainably, we will go beyond the traditional life insurance business and evolve into a company that supports customers in all aspects of their daily lives. In other words, we will transform ourselves into an insurance-related service provider. To achieve this, it is essential for us to engage in new fields of businesses that are not restricted by our existing business fields.

Here I would like to present some examples of recent initiatives that exceed the fields of the life insurance business.

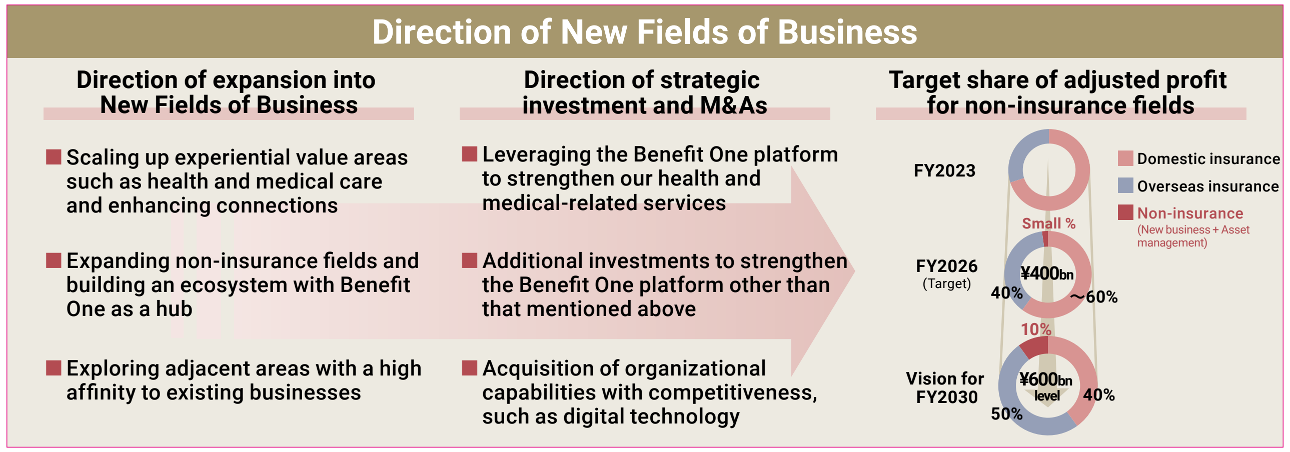
In 2021, in light of current social issues, we started offering "Healstep®," a service that supports medical expense optimization for health insurance associations. "Healstep®" broadly consists of four services: (1) Visualization of future disease risks and medical costs with a future medical cost prediction model (AI engine); (2) Formulation of a policy based on these data; (3) Assistance to receive online health guidance, and similar support, in cooperation with service providers; and (4) "QOLism," a health promotion app for health insurance association members, which offers a wide range of content to help individual customers improve their well-being, including through exercise, diet, and mental health. In 2023, we added ipet Insurance, which focuses on pet insurance, as a member of our Group. Customers who own pets treat them as members of their family, and their pets significantly impact how their well-being improves. Our Group aims to improve the well-being of both pets and customers through value propositions that include consultations with customers to provide protection and resultant medical care opportunities for their pets. In 2024, Benefit One, which operates the employee benefit platform "Benefit Station" with 9.76mn members in Japan, became a member of our Group.

New businesses, in other words, are those outside the scope of our existing businesses, and there are plenty of opportunities. However, choosing the right business—one that is compatible with our existing operations, highly needed by society, and aligned with our Group's vision—requires a multifaceted approach. When considering new businesses among these various options, I try to remember the words of Tsuneta Yano, the founder of Dai-ichi Life: "Think about whether it will bring joy to people, or if they could do without it." As this phrase suggests, I would like to pursue new fields of business without being constrained by existing frameworks, but instead by thinking through what will please customers and what they need.

Expansion into non-insurance fields

In today's society, where various changes and evolutions including technological innovations such as generative AI are occurring at a remarkable pace, it is important to recognize both the risk of making hasty decisions and the risk of taking too much time, and to take speedy actions such as M&As utilizing our strategic investment budget on options that are judged to contribute to increasing corporate value. We are considering a wide range of directions for our next initiatives, including strengthening health- and medical-related services, further improving the functionality and attractiveness of the "Benefit Station" platform, and taking on the challenge of entering new business areas that have a high affinity with our existing businesses. In new business fields, we will strive to create new points of contact with customers and other stakeholders while improving the capital efficiency of the Group.

Our Group has set a target of ¥600bn in Group adjusted profit by FY2030. To achieve this goal, we will explore and realize value propositions in new fields of businesses that will please society and our customers, and enhance the corporate value of the Group.

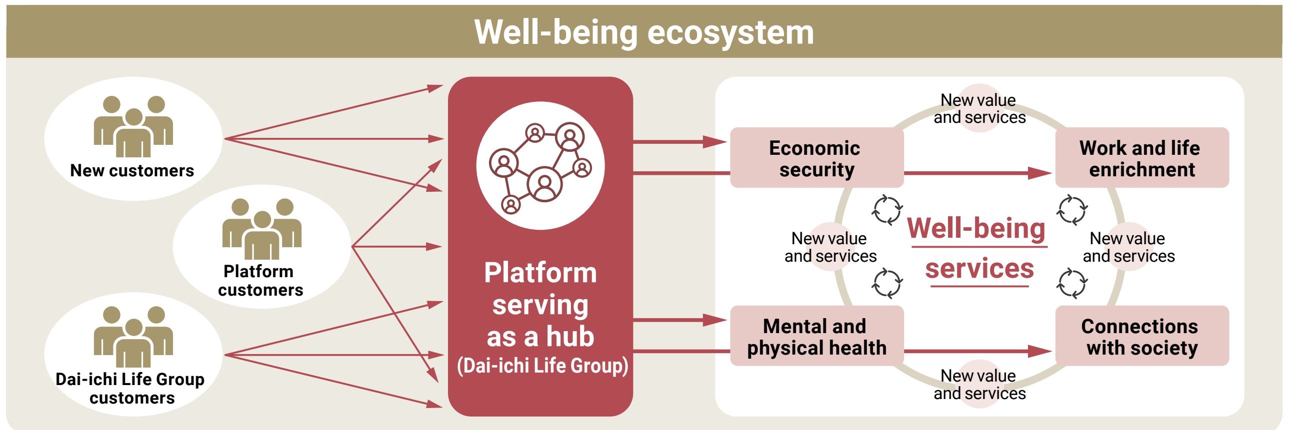


Ecosystem concept

We believe that a robust well-being ecosystem capable of providing customers with a range of services, both insurance and non-insurance, is essential for our Group to be "By your side, for life" in modern and contemporary ways. This ecosystem needs to be the one that customers want to use and continue to use.

For customers to want to use an ecosystem, there must be trust that quality content and services will be provided with economic benefits. In addition, for customers to want to continue using that ecosystem, there must be a high level of convenience that allows seamless access to a wide range of content and services. To build an ecosystem that meets these requirements, it was necessary for our Group to possess platform functions that would serve as a hub connecting customers with such content and services.

Benefit One has a solid platform called "Benefit Station" in the B2B2E business that meets these requirements, and we recognized its superiority in developing new businesses that will lead to the well-being of our customers in the future.



Benefit One

Company profile and synergy with Dai-ichi Life Group

These are some synergies between Benefit One, which joined the Group in 2024, and the Dai-ichi Life Group.

Benefit One, with its slogan of "creating a service distribution market," matches the employees of client companies with suppliers to provide services to employees at the lowest market prices through its membership-based welfare service, "Benefit Station." Their main business, employee benefits, has 9.76mn members and ca. 16,000 client companies, making it the market leader in terms of membership share in the employee benefits outsourcing service market. Amid tightening labor supply and demand, we recognize that interest in employee benefits services, in addition to wage increases, is growing as companies seek to enhance their attractiveness in the labor market. We believe there is significant growth potential in this area.

In terms of synergies between our Group and Benefit One, in the short term, the sales channels of Dai-ichi Life will be utilized to expand Benefit One's customer base and acquire new members. In the medium to long term, our Group will solidify its strategy to utilize the Benefit One platform, starting with the employee benefit solution and "Kyu-Toku-Barai," which is a payroll deduction service, in order to provide existing products and services of our Group such as protection, asset formation, and health and medical care, as well as products and services in new business fields. We will also consider synergies between Benefit One's healthcare business, which provides health checkup outsourcing services and specified health guidance services, and our various healthcare services such as "Healstep®." We share a common goal of encouraging individual customers to promote health and improve their well-being, and we believe that combining our services and providing them in an integrated manner will create synergies and lead to greater convenience for corporate personnel and employees.

Through these various efforts to create synergies, we will contribute to the well-being of our customers and aim to enhance the corporate value of our Group while achieving profitable growth as a whole Group.

Benefit Station

Features ▶▶▶
- Discounts and special offers that only the industry leader can provide
- Available nationwide
- For family members within the second degree of kinship
- Call center available when in trouble

More than 1.4mn services available at the lowest prices on the market!

Travel | Leisure/Entertainment | Sport | Relaxation & beauty | Skill development | Dining | Childcare | Nursing care | Health | Dating & marriage services | Shopping | Housekeeping, housing, moving | Automotive | Pets | Telecommunications, electricity, gas | Point exchange | Celebration | Original Benefit Station services

Member voice

Voice of person in charge

Dai-ichi Life Holdings Benefit One Collaboration Task Force
Tatsuo Nishikawa Kazunori Imaeda Ryosuke Usui

We are very pleased to welcome Benefit One to our Group. In May, the Benefit One Collaboration Task Force was formed to promote collaboration and is working to create and realize synergies as early as possible. Benefit One's services are important for delivering a variety of services, including in non-insurance fields, to our customers over the medium to long term, and we hope to create a win-win relationship for further growth.

ipet Insurance

In 2019, our Group began a business alliance with ipet Insurance for the sales reps of Dai-ichi Life to introduce and propose pet insurance. In 2023, we also acquired ipet Insurance as a subsidiary. Pets have become as important as family members, hobbies, and health in improving people's quality of life. ipet Insurance supports the happy lives of people and pets by providing pet insurance, and takes a role of important value proposition in "enhancing connection," one of the experiential values offered by the Dai-ichi Life Group.

ipet Insurance has been delivering products that meet the needs of pet owners, such as its main product, Uchi-no-Ko ("Our Pet") pet insurance, which protects the health of pets. These products have been popular with customers, leading to a record number of new policies in FY2023.

Together with ipet Insurance, we are committed to the realization of well-being for all family members, including pets.

Promoting the healthcare business to extend healthy life expectancy and solve corporate issues

To solve the social issue of the high cost of medical care for the nation's aging society, our Group is working to help people achieve well-being in the areas of health and medical care beyond the life insurance business.

We provide "Healstep®," which supports efficient health business operations aimed at optimizing medical costs and promotes health management and collaborative health initiatives in a comprehensive package, as well as the health promotion app "QOLism," to health insurance associations and companies. The number of organizations adopting these solutions is steadily increasing.

As an example from health insurance associations that have implemented the service, there is a correlation showing that the higher the frequency of QOLism usage within a group, the more effective it is in suppressing the future increase in medical costs (based on analysis using a future medical cost prediction model).

Going forward, we will enhance collaboration with Benefit One's services and, by improving healthcare and employee benefits systems, work to maximize the value of solutions offered to health insurance associations and companies, while contributing to the well-being of their members and employees.

Special Dialogue

Synergies between the Dai-ichi Life Group and Benefit One

What kind of synergies will be created by Benefit One joining the Dai-ichi Life Group in 2024? In this dialogue, we discuss the role Benefit One plays as the Dai-ichi Life Group transitions from a insurance provider to an insurance-related service provider.

Benefit One’s vision and its alignment with the Dai-ichi Life Group

Shiraishi: Benefit One is fundamentally committed to resolving problems faced by society. It was founded with the goal of enabling the visualization of services, which are often difficult to compare and evaluate, and creating a social infrastructure enabling customers to make such comparisons with safety and security.

Since then, Benefit One has operated under the corporate philosophy of “Connecting people and businesses to create new value while helping enrich people’s lives and fostering social development through service creation and distribution.” By expanding its membership base, centered on the workplace, and networking with service suppliers (in the leisure and entertainment industries), it has developed businesses that help resolve corporate management challenges and improve user satisfaction.

Kai: The Dai-ichi Life Group shares a similar philosophy, as reflected in its brand message, “By your side, for life.” For 120 years, we have operated as an “insurance provider.” To meet the diverse needs of our customers and be even more closely involved in their lives, however, we are transitioning into an “insurance-related service provider.” This will allow us to offer wide-ranging experiential value through services that extend beyond life insurance.

To seamlessly deliver wide-ranging experiential value, we must have a powerful platform that is closely connected with many customers. However, building such a platform from scratch would require significant cost and time. For this reason, we researched various industries with the belief that collaborating with a company that already possesses a strong platform would be more effective and efficient. Our top candidate for collaboration was Benefit One, which shares a common philosophy with the Dai-ichi Life Group and provides employee benefit services that contribute to human capital management.

Norio Shiraishi:
Founder and President of Benefit One Inc. As a leading provider of employee benefit outsourcing services in Japan, Benefit One has a vision of solving corporate management issues and improving user satisfaction and is expanding its business both domestically and internationally.

Akifumi Kai:
Executive Officer, Group Head, New Fields of Business at Dai-ichi Life Holdings, Inc. After joining Dai-ichi Life Insurance, he worked in investment and overseas life insurance business areas. He has served as the General Manager of the Investment Planning Department and the Head of the Corporate Planning Unit and is currently promoting the Dai-ichi Life Group’s transformation into an “insurance-related service provider” as Group Head, New Fields of Business.

Representative Director,
President of Benefit One
Norio Shiraishi

×

Group Head,
New Fields of Business
Akifumi Kai

Shiraishi: Benefit One’s vision is to become a company that provides services covering the entire lifetime of every individual in Japan—from birth to end of life. It aspires to have ca. 67mn working people in Japan, along with their families, totaling ca. 120mn people, become members of Benefit One. It also aims to connect all members and every service supplier in Japan through a single network called Benefit Station, creating a distribution infrastructure that functions as a social infrastructure.

It took 28 years for Benefit One to reach 10mn members, and its market penetration rate for employee benefit outsourcing services is around 26%–28%. As we approach 30%, regarded as critical mass for influencing decision-making for service adoption, we can anticipate rapid growth going forward. Also, Japan is emerging from a 35-year period of deflation characterized by an excess labor supply, and we are now experiencing the tailwinds of both entering an inflationary society and facing labor shortages. With the added benefit of the Dai-ichi Life Group’s powerful resources, we are now in a position to introduce our services to companies across Japan and achieve rapid growth in our membership base.

Expanding into untapped markets through our sales reps

Kai: There is still a lot of potential to increase the number of Benefit Station members. In particular, we are entering an era where employee benefits are becoming increasingly important for talent acquisition and retention, especially for small and medium-sized enterprises (SMEs). We believe that by communicating the appeal of Benefit Station to the Dai-ichi Life Group's corporate and individual customer base, we can help unlock its full potential.

Shiraishi: Unfortunately, Japan’s SMEs offer few non-statutory employee benefits, resulting in a significant disparity compared to large corporations and public-sector employees. The tax system related to employee benefits is well-developed. While wages paid in cash are subject to taxation, services provided as employee benefits can be non-taxable if certain conditions are met. Therefore, offering employee benefits can provide significant cost-effectiveness for companies. Typical examples of such tax-advantaged benefits include government employee housing, company housing for large corporations, and employee cafeterias. This also leads to an increase in disposable income for employees.

While large corporations have made good use of tax benefits for employee welfare, SMEs have not offered many benefits, perhaps due to their relative lack of financial resources. As a result, a significant gap has emerged between large corporations and SMEs in terms of not only wages but also employee benefits. By offering employee benefits, SMEs can also increase their employees’ disposable income. Therefore, we are currently conducting awareness campaigns, specifically targeting SMEs, to promote employee benefit services. While competition among SMEs for talent is intensifying due to labor shortages, offering employee benefits can also help protect employees’ standard of living from inflation.

Kai: We aim to actively expand our reach to SMEs going forward. Benefit One already holds a strong market share among large corporations and government agencies, but there is still significant untapped potential in the SME sector.

We aim to leverage the Dai-ichi Life Group’s nationwide branch network and the connections of its ca. 35,000 sales reps to showcase the attractiveness of our employee benefit platform to SMEs and encourage them to become members.

Shiraishi: That is reassuring. To realize Benefit One's vision, our immediate mission is to achieve quantitative expansion by increasing both the number of members and the range of services offered. After achieving quantitative expansion,

however, our most critical KPI will be how to effectively increase the total transaction volume within the ecosystem where service providers and consumers are connected. To this end, Benefit One is expanding its range of services and promoting their use.

We believe that the Dai-ichi Life Group's sales reps will play a crucial role in promoting service utilization and increasing the total transaction volume. At present, our focus is on further expanding our reach among large corporations by working with the ca. 400 relationship managers (corporate sales reps who mainly target large companies) of the Dai-ichi Life Group. However, it is important to note that ca. 99% of companies in Japan are SMEs. In the untapped market of SMEs, company presidents often hold significant authority, making it crucial to focus our approach directly on them. Therefore, we aim to develop the new market of SMEs through sales reps who have access to the top management of these companies.

Through Benefit Station, sales reps can become true "By your side, for life" partners.

Shiraishi: Although it's still a future consideration, we are exploring the possibility of making Benefit Station memberships free by using transaction fees generated from our payroll deduction service "Kyu-Toku-Barai" as a source of revenue. We aim to have every citizen in Japan become a member. However, we understand that it would take a long time to significantly increase our membership if we were to charge membership fees to ca. 10mn self-employed individuals, employees of SMEs, and workers in the agriculture and forestry sectors. At some point, therefore, we will need to make the membership fee free. However, monetization is also necessary, so we are considering leveraging payment services as a method to achieve this. Traditionally, the distribution business generates revenue from the spread between the buying and selling prices. However, we have established a subscription model based on membership fees. Looking ahead, we are considering shifting even from this model to a revenue model based on payment transactions. In such a payment-based revenue model, the total transaction volume will form the foundation of our profitability. We are also considering a system where we could pay commissions to sales reps from revenue generated through these transactions. Because Benefit Station provides services tailored to major events throughout one's life, it will enable the Dai-ichi Life Group's sales reps to offer more personalized services to their customers.

Benefit Station is not just an impersonal Internet-based platform, but rather something that allows people to communicate with each other and be a part of each other's lives, so I am confident that your sales reps can support it.

Kai: It's truly a win-win relationship. From the perspective of our sales reps, the tools for communicating with customers have so far been limited to insurance and asset formation/succession products, with the main points of contact being when customers revisit their coverage of existing insurance or at the time of insurance payouts. Through our collaboration with Benefit One, however, our sales reps will have significantly greater opportunities to connect with customers. As reflected in our brand message, "By your side, for life," our sales reps can also use Benefit Station to propose necessary services to company employees. In addition to insurance, they will be able to introduce a wide variety of services featured on Benefit Station that are tailored to life events, such as home purchases, childcare and healthcare support, and training content for reskilling. This aligns perfectly with our vision of evolving from a traditional insurance provider to the broader concept of an "insurance-related service provider."

Shiraishi: I think we will likely see the development of new insurance products. When I recently revisited our original business plan from the early days of Benefit One, I noticed that the integration of comprehensive services with the financial businesses was a theme right from the outset. Throughout a person's life, various products and financial services are closely connected. When buying a home, for example, things like mortgage, savings, and fire insurance all come into play, don't they? There are undoubtedly many unmet insurance and financial needs related to various life events. I believe we will witness the development of products that seamlessly integrate services such as insurance, savings, and loans into comprehensive solutions.

Kai: You're right. I also believe we can collaborate effectively in areas such as health management and healthcare. Consider QOLism, a health promotion app provided by the Dai-ichi Life Group for members of health insurance associations and other organizations. By incorporating QOLism into Benefit Station's employee benefit menu, we can anticipate that various benefits, such as enhanced financial stability of health insurance associations, can be expected.

From the perspective of the corporate function, I also believe there are numerous opportunities for collaboration in such areas as IT and human resources. In our efforts to enhance the convenience of Benefit Station, for example, we can contribute by further improving the user interface and experience.

Shiraishi: About healthcare, Benefit One aims to advance the visualization of both financial and healthcare data. From a consumer perspective, these two areas have many ambiguous aspects. Although our relationship did not extend to a capital alliance, we share a common vision with M3, Inc., in aiming to provide appropriate medical care through service visualization. By collaborating with M3, which has strong connections with doctors and medical institutions, and leveraging our coverage of the consumer side, we can contribute to solve one of Japan's major social issues—reducing healthcare costs.

In Japan, government policies are increasingly encouraging companies to manage employee health, such as passing legislation related to metabolic syndrome and emphasizing mandatory stress checks and online counseling. The visualization of healthcare is therefore a highly important theme that also aligns well with life insurance. As healthcare is the fastest-growing component of personal consumption in an aging society, we intend to work exhaustively in this area.

Kai: We hope to continue exploring areas of collaboration with M3.

Medium- to long-term vision: Global expansion

Shiraishi: I believe that Benefit One is still in its early stages of global expansion. Despite the challenges posed by a shortage of local talent and networks, we've been making steady progress through trial and error. In Asia, we're finally close to turning a profit, but we continue to face difficulties in North America. To overcome this situation, we plan to accelerate our global expansion, seizing the opportunity presented by joining the Dai-ichi Life Group.

Our approach is to first achieve success within Japan, then replicate that success in other countries. Although we are proud of our strong position in Japan, we recognize that an increasing number of companies worldwide are operating similar business models. This underscores the need to achieve success on a global scale, beyond just Japan. Asia holds great potential, but we are also eager to achieve results in North America. We expect that leveraging the Dai-ichi Life Group's global network and organizational strength will accelerate our international expansion.

Kai: The Dai-ichi Life Group has operations in 10 countries, primarily in Asia and in North America. We recently held a meeting with the CEOs from 10 countries, and you gave a presentation. In addition to speaking about the business development in Japan, you also presented on global expansion, and everyone in attendance was engaged in listening. Members from our Asian subsidiaries, in particular, showed a strong interest in the Japanese business model. In Thailand and India, where mobile and digital technologies are even more widespread than in Japan, there is a strong synergy between employee benefit services and the insurance industry. After thoroughly researching the legal and tax systems, we believe it is possible to expand Benefit One's business in the footprint of our subsidiary insurance companies. Therefore, we will pursue global expansion as a medium- to long-term objective.

Looking ahead

Shiraishi: One of the major hurdles we face is the challenge of scale. Realistically speaking, our target of reaching 120mn members is an extraordinarily ambitious figure. It's easy to say that we aim to network all services across Japan, but the reality is far more complex. When you consider the inclusion of SMEs from Hokkaido to Okinawa, the scale becomes truly immense. The biggest challenge is how quickly we can work toward these overwhelming targets. I believe that with steady, persistent effort, we will eventually see our goal. However, I'm continually thinking of ways to speed up a process that would naturally take a tremendous amount of time. By joining the Dai-ichi Life Group, I am confident that we can significantly shorten that timeline.

Kai: The Dai-ichi Life Group has set targets of achieving market capitalization of ¥6tn by the end of FY2026 and ¥10tn by FY2030. I believe that Benefit One will be the catalyst to help achieve these targets. By transitioning from a traditional insurance provider to an insurance-related service provider, offering a variety of services, and improving capital efficiency, we can achieve the ¥10tn target. To this end, we will position Benefit One at the center in our effort to build a platform that serves as an ecosystem for providing insurance-related services.

TOPICS

Financial Well-being for All

Initiatives to Improve Customer Experience in Japan

We stand by the values of each customer and aim to be an insurance group consistently chosen by customers.

Director, Managing Executive Officer
Chief Customer Experience Officer (Japan)
Takako Kitahori

Message from the CCXO

I am Takako Kitahori, and I have been serving as Chief Customer Experience Officer (CCXO) (Japan) since April 2024. The Customer Experience Unit was newly established in FY2024 to enhance the customer experience (CX) of products, services, and customer service in Japan.

In our domestic business, we will contribute to the well-being of our customers by providing our four experiential values of "Protection," "Asset Formation/Succession," "Health and Medical Care," and "Enhancing Connections" to our customers. The Group has expanded its business domains with the addition of ipet Insurance, a pet insurance company, and Benefit One, a platform for employee benefit services. Through the provision of optimum products and services, including in non-insurance areas, we will work to create values unique to the Group.

Moreover, various digital tools utilizing the latest technologies have become an indispensable part of our lives. In addition to real contact with customers through sales reps and insurance agencies, the Group regards digital contact with customers as an important connection with them. By integrating real and digital connections, we will build a system that provides optimal consulting and customer follow-up services at the optimal time by deepening our understanding of each individual customer.

We will continue to pursue value that resonates with our customers and meet their diversifying values and needs by making repeated improvements through the STPD cycle*, not only in the traditional areas of protection and asset formation/succession, but also in all customer experiences, including new products and services, with the aim of being consistently chosen by customers.

*A management approach based on "See," "Think," "Plan," and "Do."

What does "CX" refer to?

We define customer experience (CX) as the psychological and emotional value that customers experience through all points of contact with the Group.

By focusing on CX and working to improve the customer experiential value, we will create value that exceeds that of the original product or service.

Management based on the "voices of customers"

As customers continue to diversify their values and change their behavior, we believe it is more important than ever to enhance CX by closely aligning ourselves with the values of each customer.

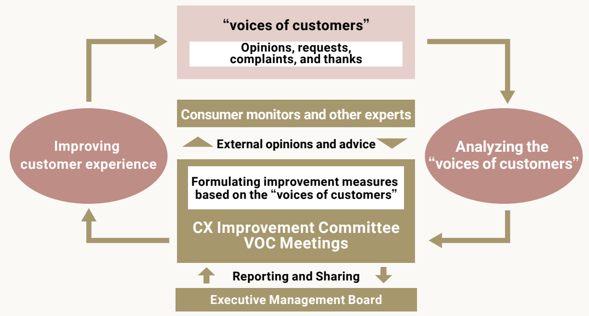
We intend to improve CX by collecting a wide range of "voices of customers" including opinions, requests, complaints, and thanks and implementing improvement initiatives based on the "voices of customers."

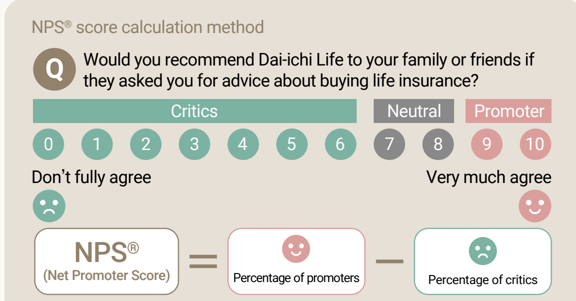
For example, Dai-ichi Life has established a system to collect and analyze "voices of customers" from across Japan and reflect them in management and is gradually improving the system. Specifically, at "Voice of Customer" (VOC) meetings, in addition to the "voices of customers," we utilize and analyze the NPS®* from customer satisfaction surveys to identify issues by checking what is supported by customers and what needs improvement.

We also receive feedback from consumers through the "Quality Advisory Committee," the "Consumer Monitor System," and other initiatives, and work to respond to customers' requests. In addition, the "CX Improvement Committee" follows up on our initiatives and shares the results with management. Through these initiatives, we are repeatedly improving our points of contact with customers as well as our products and services, leading to further CX improvement.

By realizing and establishing a culture of sincerely respecting the "voices of customers" in conducting business operations, we will not only provide value for our products and services but also deliver the psychological satisfaction that customers gain = "emotional value." We aim to achieve "Top-level NPS® in Japan" and "15mn customers in Japan" by FY2026 with increasingly diverse values and addressing the needs of customers.

Management based on the "voices of customers" at Dai-ichi Life





*NPS® (acronym for Net Promoter Score) is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

Expand and raise the level of digital contacts

To improve CX, we are working to expand digital contacts and raise the level of the customer experience through digital technologies.

Dai-ichi Life operates a website called "Mirashiru" to provide information related to people and their lives, health, money, and insurance. The site focuses on the four experiential values and daily communication with customers. The function was expanded to meet various customer needs including insurance counseling through the connection of customers and sales reps in Dai-ichi Life.

In addition, we provide dedicated My Page functions that serve as a direct point of contact with customers of Dai-ichi Frontier Life, Neo First Life, ipet Insurance, and other companies. Expanding that support by enabling various procedures to be completed digitally helps improve customer convenience. We also provide various services and applications related to health promotion and asset formation to help customers achieve well-being.

While working to expand and upgrade the level of digital contacts, we will work to improve CX for customers by promoting the integration of real and digital contacts.

Information site "Mirashiru"