

# Financial Analyst Conference Call for the Fiscal Year Ended March 31, 2021

May 21, 2021

Dai-ichi Life Holdings, Inc.



Dai-ichi Life  
Holdings

- Good afternoon. This is Toshiaki Sumino, Managing Executive Officer of Dai-ichi Life Holdings, Inc.
- Thank you for joining our Financial Analyst Conference Call for the Fiscal Year Ended March 31, 2021.
- Today, I will review the last mid-term management plan and its results, and President Inagaki will explain about business strategies for new mid-term management plan.
- Please turn to page 4.

## Agenda

Topics	Presenter	Title
Review of Previous Mid-term Management Plan New Mid-term Management Plan "Re-connect 2023" <ul style="list-style-type: none"><li>Financial &amp; Capital Strategy</li></ul>	Toshiaki Sumino	Managing Executive Officer, Dai-ichi Life Holdings, Inc. Corporate Planning Unit
New Mid-term Management Plan "Re-connect 2023" <ul style="list-style-type: none"><li>Recognition of External Environment &amp; KPI Update</li><li>Dai-ichi Life Group Initiatives for Sustainability</li><li>Domestic Life Business Strategy</li></ul>	Seiji Inagaki	President and Representative Director, Dai-ichi Life Holdings, Inc. The Dai-ichi Life Insurance Company, Limited
Q&A		

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## **Review of Previous MMP**

### **New MMP "Re-Connect 2023" Financial & Capital Strategy**

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## Sales Performance (New Business ANP • Value of New Business(VNB))

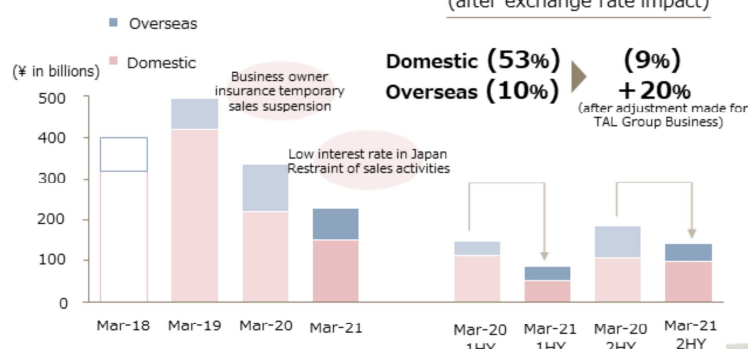
- In light of the significant change of external environment including extraordinary situation of the COVID-19, sales performance had been under pressure and Group VNB target set for previous MMP was not achieved.
- Although VNB for this fiscal year is expected to be favorable YoY, Group will make every effort for returning back to sustainable growth.

### New Sales ANP

FY2020 **¥228.8bn** (32%)YoY excl. exchange rate impact

**Decreased significantly due to restraining sales activities in domestic life. As full-scale sales activities resumed in 2HY, domestic life sales recovered with only 9% decrease vs. 2HY of FY2019.**

FY2020 1HY/2HY YoY comparison  
(after exchange rate impact)

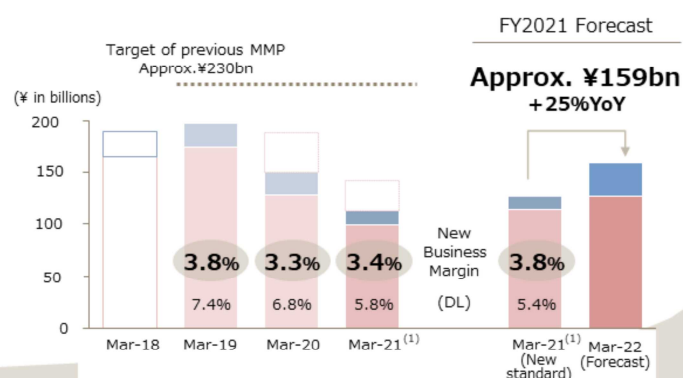


### Group VNB (before measurement standard change)

FY2020<sup>(1)</sup> **¥127.1bn** (25%)YoY before measurement standard change

Group total including 3 affiliated companies in Asia: ¥129.2bn

**Decreased by 25% YoY, but it exceeded the forecast announced in last August. For FY2021 Group VNB is forecasted to be ¥159bn due to improvement of sales environment and interest rates.**



(1) In light of the extraordinary circumstances of the COVID-19, the guaranteed life plan designers' salary compensation (approx. ¥17 billion) and a portion of sales operation related fixed expenses (approx. ¥40 billion) was excluded from VNB calculation and deducted directly from EEV adjusted net worth.

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- Let me begin with the review of sales result for FY2020.
- As announced in the conference call last week, there was a YoY decrease across the board due to the spread of COVID-19. The Group VNB was unfavorable against the target of ¥230 billion set in the previous mid-term management plan.
- However, after the full-scale sales activities resumed in the second half of FY2020, the sales performance has been recovering and we forecast the Group VNB for FY2021 to be approximately ¥159 billion which is 25% increase year-on-year.
- Please refer to page 5.



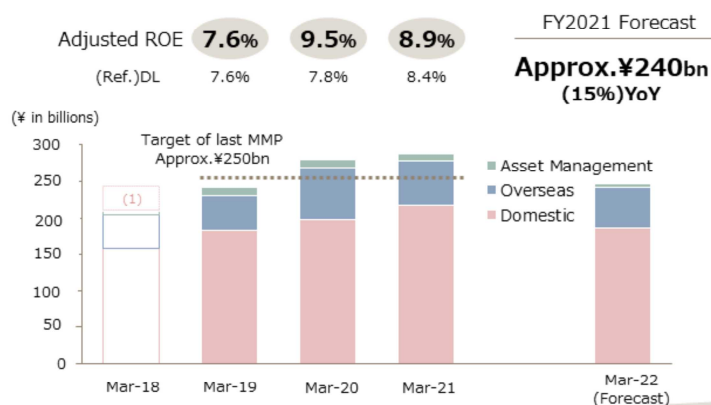
## Accounting Profit (Group Adjusted Profit • Net Income)

- Group adjusted profit achieved the target set in the previous MMP due to favorable profit impacted by financial market as well as one-time items in both domestic and overseas life.
- New MMP focuses not only on initiatives for profit growth but also on improvement of qualitative KPI such as capital efficiency.

### Group Adjusted Profit

FY2020 **¥282.8bn** (YoY) +3%

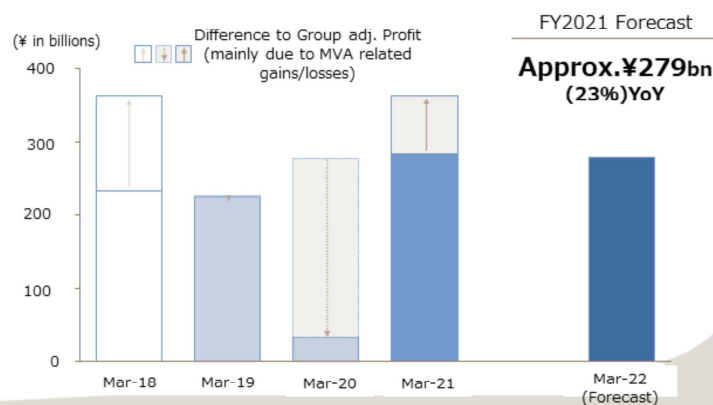
Due to financial market recovery & one-time items Group adjusted profit exceeded the forecast. Considering the reactionary decline in absence of one-time items for FY2021 forecasts is approx. ¥240bn.



### Group Net Income

FY2020 **¥363.7bn** (YoY) +1,022%

Net income significantly increased due to improvement of MVA related gains/losses. Same as group adjusted profit, considering reactionary decline, forecast for FY2021 is ¥279bn.

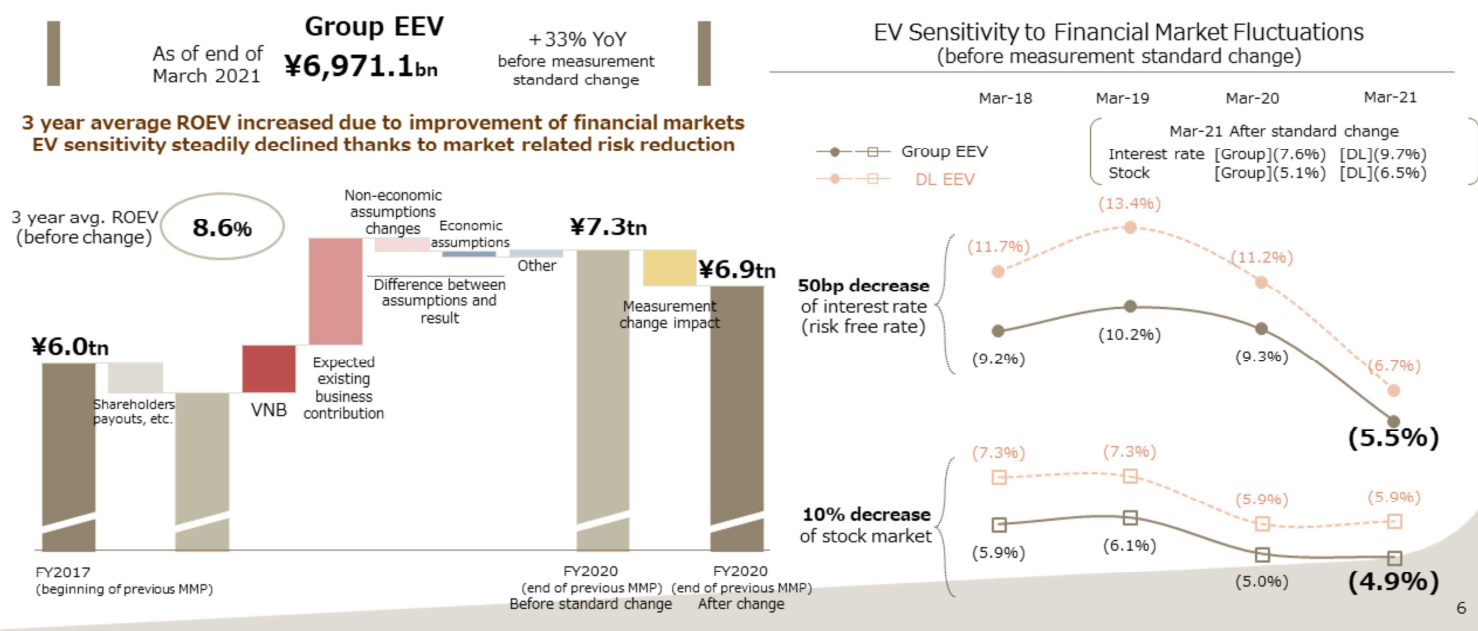


(1) Shows factors caused by market factors such as redemption of investment trusts in the fiscal year ending March 31, 2018.

- Now please let me talk about the profit.
- There was a limited direct impact of COVID-19 on the profit except Protective. As positive spread at Dai-ichi Life expanded and one-time items in group companies as well as sale of Janus Henderson share contributed to increase of group adjusted profit and net income.
- Considering the reactionary decline due to the absence of one-time items, we forecast FY2021 Group adjusted profit to be approximately ¥240 billion.
- Please move on to page 6.

## Economic Value based Capital Efficiency (Group EEV • ROEV • EV market sensitivity)

- Though EEV and ESR declined due to stricter change of measurement standards such as UFR, ROEV was secured at 8.6% level.
- Contribution from market related risks reduction in addition to the rise of domestic interest rates, significantly reduced sensitivity of EV to financial market fluctuations.



- Here I will explain Group EEV and RoEV.
- Due to improved financial market condition, Group EEV was ¥7.3 trillion, a 33% increase year on year prior to measurement change, or 24% increase to ¥6.9 trillion after measurement standard change.
- The figure on the right shows the changes in the EV sensitivity. Due to the market related risk reduction both on the assets as well as liabilities side, sensitivity to financial market fluctuations has been decreasing. However, the adopted measurement change increased sensitivity, thus we keep working on the initiatives for risk reduction.
- Please move on to page 7.

## Economic Value and Financial Soundness (ESR · Risk Profile)

- Even under stricter internal measures such as lower UFR, ESR rose due to the recovery of financial market and risk reduction initiatives.
- Market risk still accounts for a large portion of risk profile and focus continues to be on reducing interest rate and equity risks.

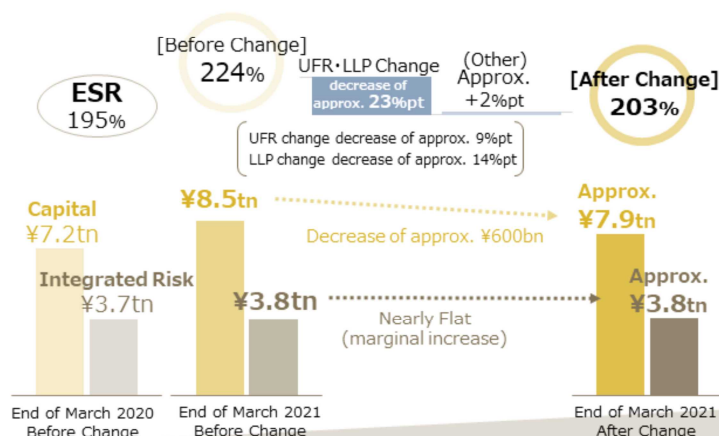
### Economic Solvency Ratio (ESR)

As of end of  
March 2021

**203%**

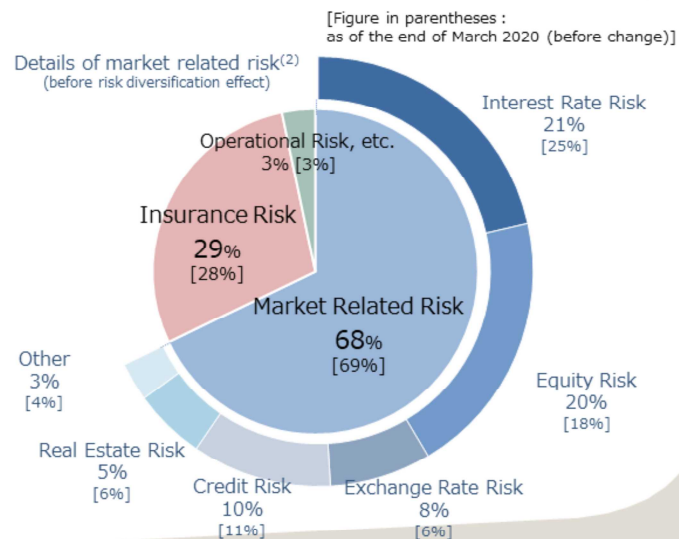
+29%pt YoY  
before measurement  
standard change

**ESR rose sharply due to risk reduction and recovery of financial market**  
**ESR after measurement standard change (UFR, etc.) is 203%**



### Group Integrated Risk Breakdown<sup>(1)</sup>

(As of end of March 2021, before risk diversification effect between insurance and market risk)



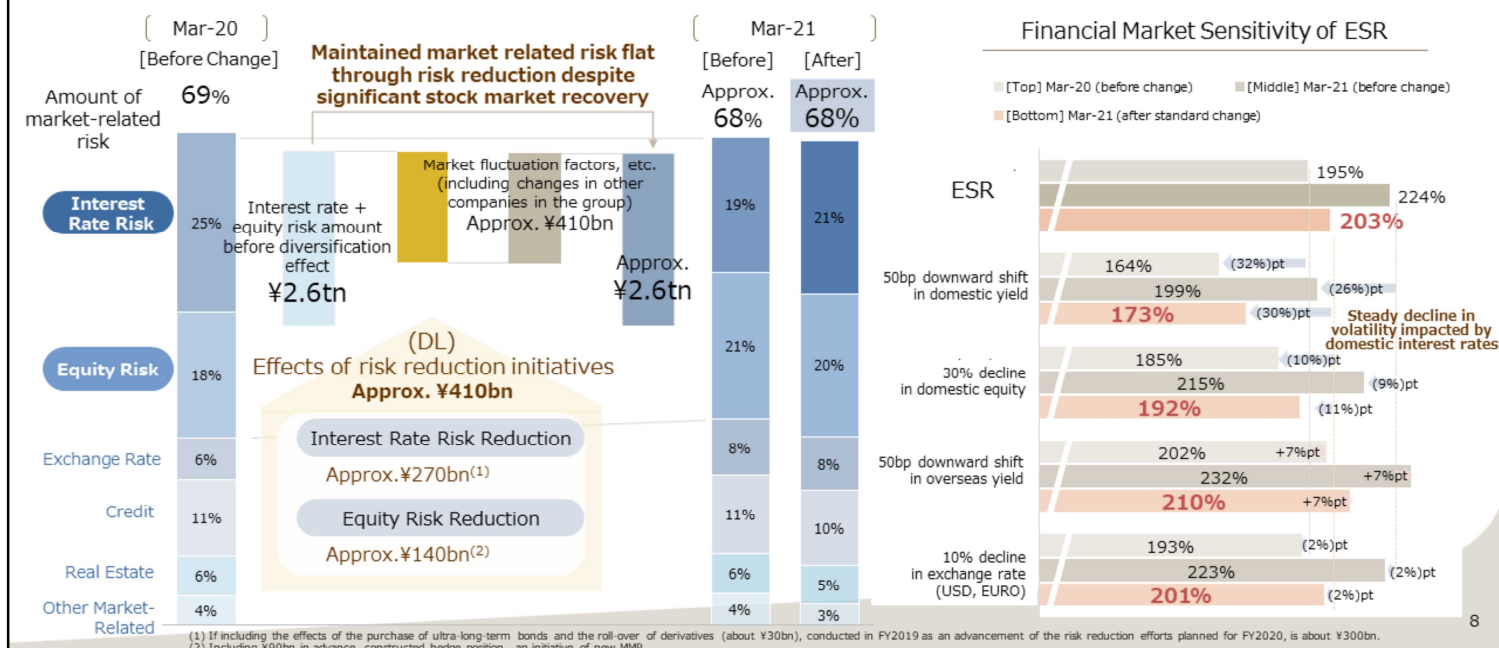
(1) Breakdown excludes the exchange rate risk against yen, associated with the Group Consolidation  
(2) Percentage of each risk in the details are proportional to the amount of each risk in market risk, before taking into account the diversification effects.

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- Standards for economic solvency ratio has been changed in the same manner as EEV.
- The economic solvency ratio as of the end or March 2021 improved to 224% before the change in measurement standards, due to the market improvement and risk reduction initiatives at Dai-ichi Life. The economic solvency ratio after the standard change is 203%, as this generally involves a more stringent measurement of economic value-based capital.
- As for the risk profile shown on the right hand side, the decrease from risk reduction and increase from market improvement were closely matched, and as a result, the percentage of market-related risk did not change significantly from around little less than 70%.
- Please refer to page 8.

## FY2020 Status of Market Risk Reduction and ESR Financial Market Sensitivity

- Increase in market risk derived from the significant stock market improvement was well managed through accelerating interest rate risk reduction and advancement of equity risk hedging.
- The financial market sensitivity of ESR decreased YoY, even after the change in measurement standard.

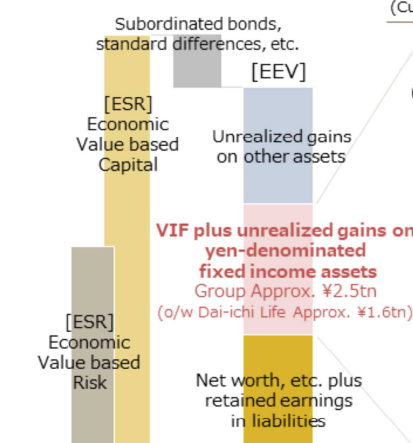


- As I have explained earlier, the first year of the 4-year plan for risk profile transformation has exceeded the expected pace.
- As shown on the left hand side, due to Dai-ichi Life's initiatives, we were able to reduce interest rate and equity risk by approximately ¥410 billion in total. On the other hand, as I mentioned earlier, there was a similar amount of increase in unrealized gains due to market improvement.
- However, looking at the market sensitivity of economic solvency ratio on the right hand side, it can be confirmed that the overall sensitivity has declined. Therefore, we recognize that we are making steady progress in aiming for capital efficiency that exceeds the cost of capital.
- From now on, we will also disclose the sensitivity of economic solvency ratio to changes in foreign interest rates and foreign exchange rates, which we hope you will find useful.
- Please refer to page 9.

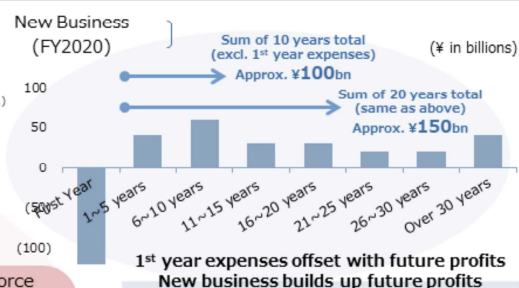
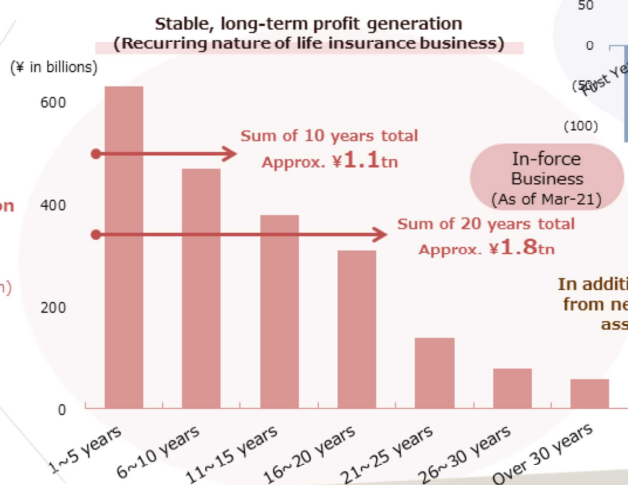
## Economic Value Capital and Life Insurance Business Earnings Structure

- Major part of economic value based capital in ESR is comprised of EEV value of in-force business, generating profit over the long term.
- Life insurance business have a high recurring potential due generating very stable future profits from in-force business and accumulating future profits through new business acquisition.

### Economic Value based Capital and EEV



### In-force Business Value Expected Future Profits Distribution (Cumulative for every 5 years, Dai-ichi Life Non-Consolidated, estimate)<sup>(1)</sup>



In addition to stable profits from in-force business, profits from new business acquired and gains/losses from other assets make up the annual profit of Dai-ichi Life.

(1) Approximate value assuming fixed income assets held until maturity and adjustment for future interest income.

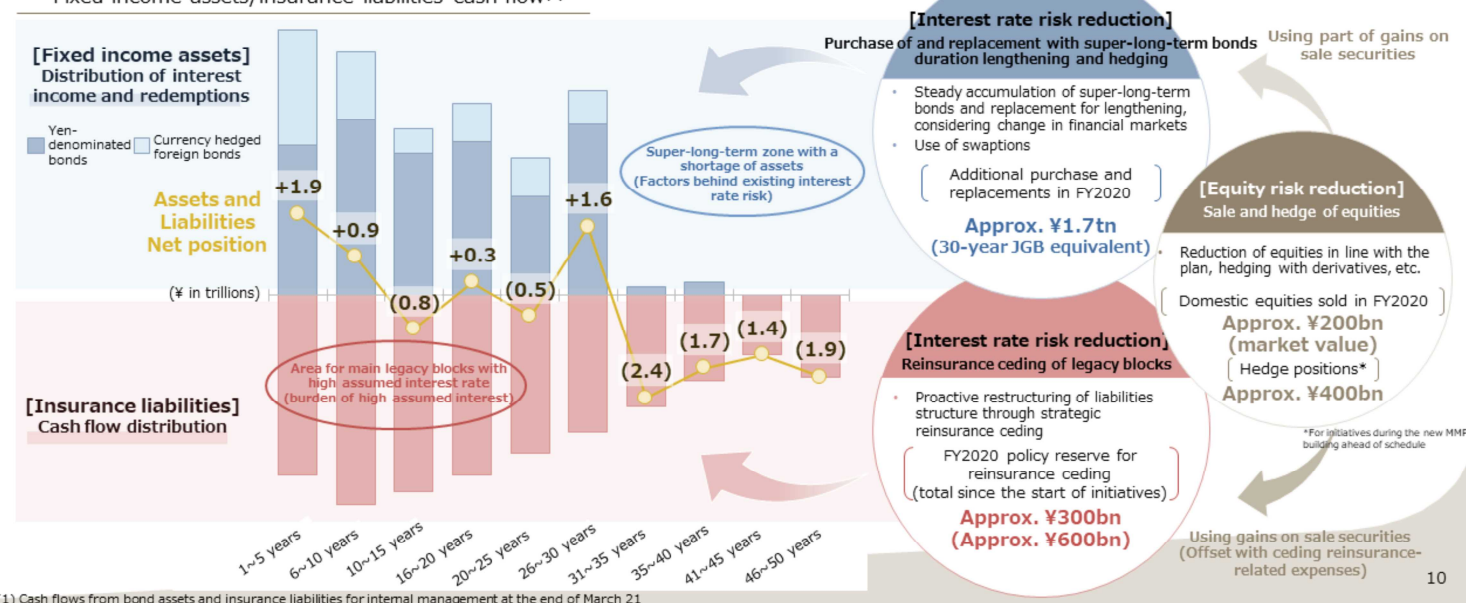
- Let me explain the recurring nature of profit generation in the life insurance business.
- As of end of March 2021, the Group EEV included approximately ¥2.5 trillion of value in-force business plus unrealized gains on yen-denominated fixed income assets, of which ¥1.6 trillion belongs to Dai-ichi Life. As you can confirm on the right side of document, such value for accounting purposes will be realized with high accuracy over a long period of life insurance policy term and most likely major part would be realized during initial 10 years.
- For the going concern corporate value, the value of new business should added up. As a reference the future profits from value of new business acquired in the FY2020 shown with first year cost offset by future profits. Thus, further strengthening the recurring profit generation of the entire in-force business.
- Please turn to page 10.



## DL Asset/Liability Cash Flow Structure and Market Risk Reduction

- Reduce interest rate risk arising from super-long-term insurance liabilities by proactively accumulating super-long-term bonds and lengthening asset duration.
- Decrease legacy liabilities with high assumed interest rate through reinsurance ceding, while reducing equity risk by selling equity holding.

Fixed income assets/insurance liabilities cash flow<sup>(1)</sup>



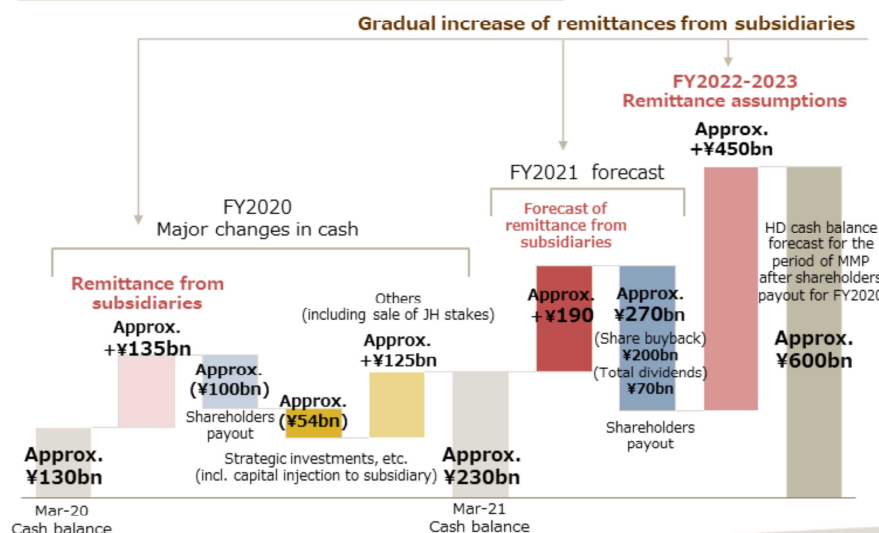
(1) Cash flows from bond assets and insurance liabilities for internal management at the end of March 21

- Efforts to improve the risk profile are shown using the Dai-ichi Life cash flow.
- The Group is strengthening its investment in super-long-term bonds and other instruments as in line with assets and liabilities matching. Exceptionally, Dai-ichi Life conducts balanced investment to fulfill the higher assumed interest rate legacy blocks it has sold in the past. Even if cash flows from equity investments are excluded from cash flows, favorable matching is observed for each maturity up to the next 30 years, supporting our strong economic solvency ratio.
- However, for maturities greater than 30 years, it is difficult to match the cash flows of liabilities and assets. We recognize that managing liabilities cash flow in the ultra-long-term zone is one of the Group's financial strategy propositions.
- In light of this, we intend to use the capital gains realized through equity risk reductions as a source of funds to promote further matching of assets and liabilities. In other words, we will continuously strive to reduce risks, thereby further achieving highly recurring and stable income.
- Please refer to page 11.

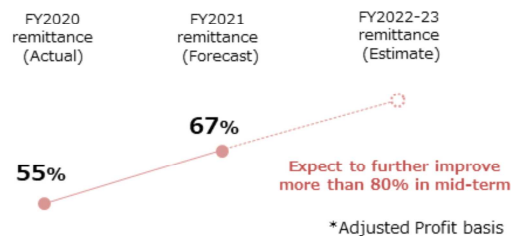
## Cash Position of Holding Company (HD)

- Including funds for the sale of Janus Henderson shares, the cash balance at the end of March 2021 was approximately ¥230 billion.
- Expect cash positions of approx. ¥600 billion after shareholder dividends and present share repurchases due to expansion of phased remittance, etc.

### Change in Holding Company Cash Position<sup>(1)(2)</sup>



### Outlook for remittances from subsidiaries



	FY2021 remittance	FY2020 Adjusted Profit <sup>(3)</sup>	Remittance Amount to HD	Remittance Rate <sup>(4)</sup>	(Previous FY)
Dai-ichi Life		¥174.4bn	¥158.7bn	91%	80%
Protective <sup>(2)</sup>		US\$362m	US\$181m	50%	50%
TAL		AU\$171m	AU\$70m	41%	0%
Group		¥282.8bn	Approx. ¥190bn	Approx. 67%	53%

(1) Includes the balance and change in cash at the intermediate holding company, as well as cash held to secure liquidity at the holding company. (2) Remittances from overseas subsidiaries such as Protective are accounted as if they are deposited in the next fiscal year of the holding company similarly to domestic subsidiaries in this chart. (3) For TAL net income is given. (4) For the remittance rate the denominator is the group adjusted profit, and the numerator is the remittance amount from each group company to HD based on adjusted profit (excluding TAL).

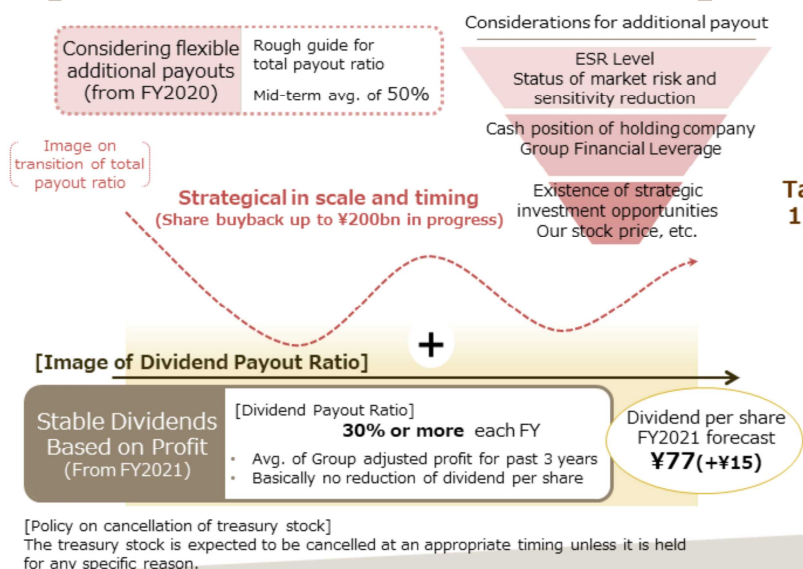
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- Next, I will explain the cash flow of the holding company.
- Previously, remittances were determined based on period profit of each company, so remittances from subsidiaries and shareholders payout were largely offset. Going forward, however, we will shift to an operation in which free cash is determined from multiple perspectives and constraints, such as increase or decrease in economic value-based capital, and remittances from subsidiaries are expected to increase both in remittance rate and amount.
- Based on the more stringent assessment of the investment effectiveness of each operating company (make capital allocation and recovery by evaluating business results against cost of capital that is set according to the risk characteristics of each business), mentioned earlier, we intend to further refine the balance of free cash generated to ensure financial soundness, growth-oriented investment, and shareholders payout.
- Please refer to page 12.

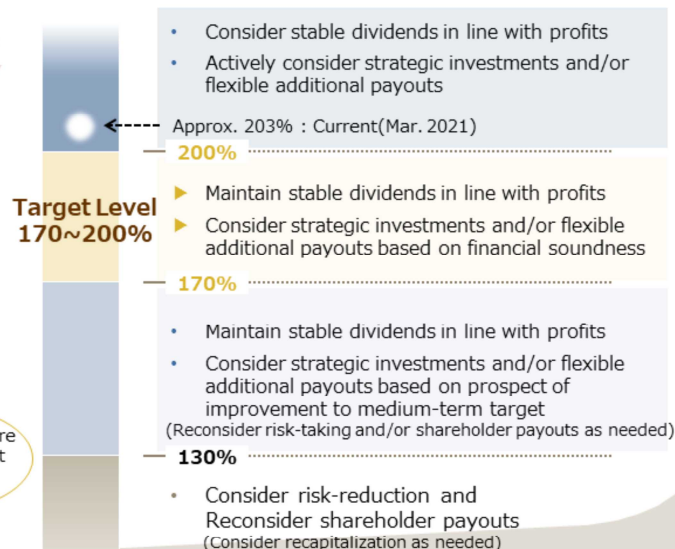
## Consider Stable Dividends in Line with Profits and Flexible Additional Payouts

- Implementing a share buyback of up to ¥200bn, in order to realize an attractive shareholder payout.
- Due to the large-scale share buyback, dividend per share for FY2021 is expected to increase by ¥15 yen YoY to ¥77.

### Shareholder Payout Policy



### ESR Level and Capital Policy Concept



- Lastly, our shareholder payout policy, shared earlier, that has entered a new stage along with the new mid-term management plan.
- We have already announced a share buyback of up to ¥200 billion, and we aim to substantially strengthen shareholder payouts by setting a rough guide for total return ratio of 50% on average over the medium term.
- In terms of cash dividends, considering the decrease in the number of shares after share buybacks and in-line with the recurring nature of the life insurance business, we aim to pay stable dividends with a payout ratio of 30% or more. Basically, we will not reduce the dividend per share.
- In the fiscal year 2021, we forecast a substantial increase in the dividend per share to ¥77.
- This concludes my explanation. From page 13, President Inagaki will explain the strategies for New Mid-Term Management Plan.



## **New Medium-Term Management Plan "Re-connect 2023"** **External Environment and KPIs**

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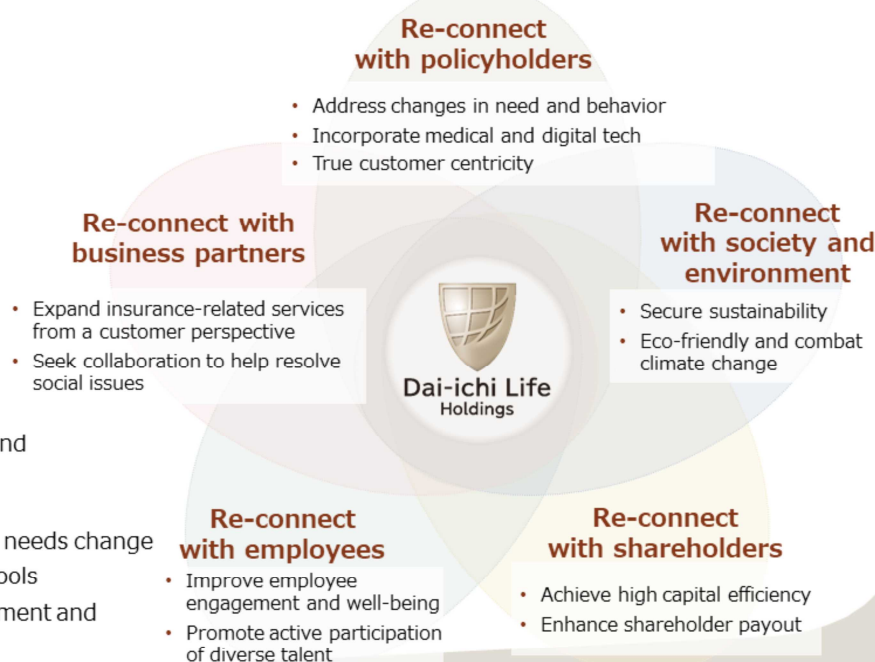
- I am Seiji Inagaki and thank you very much for your participation today.
- Without further ado, let me explain the new medium-term management plan.
- Please refer to page 14.

## Changes in Business Environment

COVID-19  
Global low interest rate environment  
Slowdown of economy  
Rapid advancement of digital technology  
Diversification of people's values

## Our Response to Changes

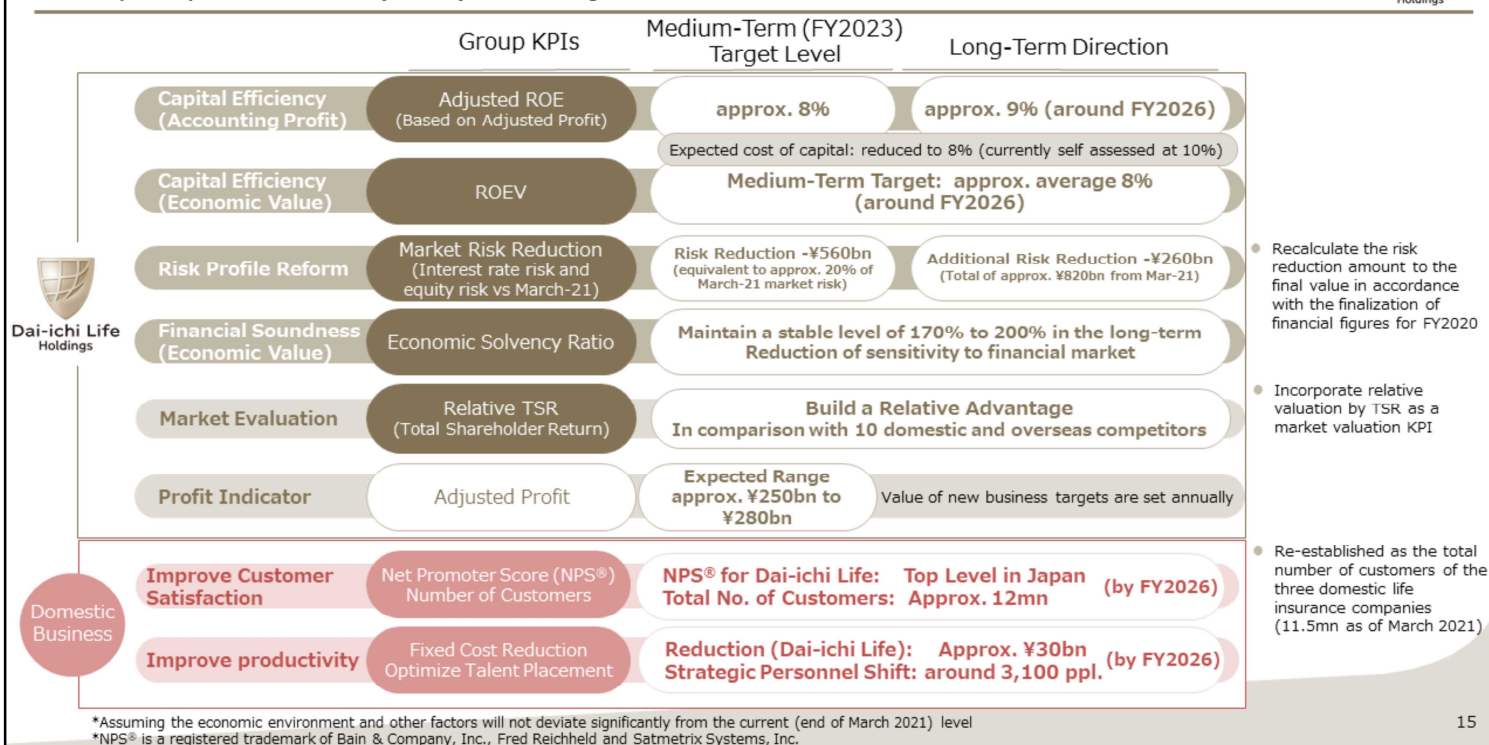
Business operations considering customer and employee's health  
Prompt payment of insurance benefits  
Develop products/services that meet customer needs change  
Promote contactless sales process using digital tools  
Strengthen response to low interest rate environment and market fluctuations



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- Despite the start of vaccine rollout, the outlook on when and how the COVID-19 pandemic will be contained is still unclear and is expected to remain uncertain for the foreseeable future. Meanwhile, the business environment surrounding the Group has become increasingly challenging, due to the continued global low interest rates, as well as economic slowdown. In addition, the spread of COVID-19 is accelerating the rapid advancement of digital technology and diversification of people's values. Life insurance providers are expected to make a drastic change, especially in how they contact customers.
- While giving consideration to health conditions of customers and employees in its business operations, the Group will fulfill its role as an insurance provider by quickly paying out insurance benefits. In addition, we will develop insurance products and services that satisfy the needs of customers, promote establishing remote sales process by utilizing digital tools, and reinforce measures to cope with prolonged low interest rates and rapid market fluctuations.
- In these circumstances, we launched the new medium-term management plan “Re-connect 2023” to re-engage with stakeholders in a better way, considering the reflection of Dai-ichi Life sales incidents from last year. All our officers and employees will harmonize values and strive to tighten our bond again with a view to achieving transformation in resonance with each other.
- Please refer to page 15.

## Group Key Indicators (KPIs) and Major Domestic Life Business Initiatives

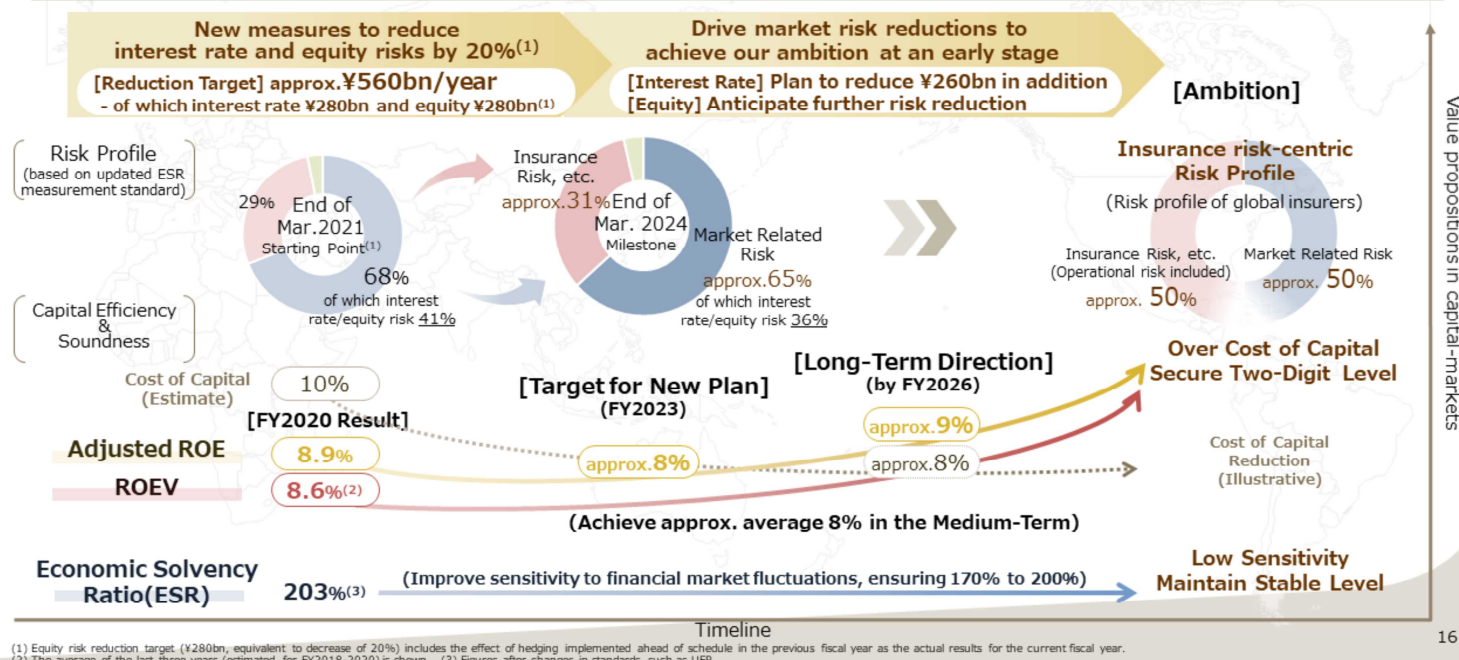


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- The Group management targets are described on this slide.
- In the new medium-term management plan, we will put more focus on customer satisfaction rather than top-line indicators, and work to improve capital efficiency, and seek to change our values from quantity to quality. To this end, in addition to the target levels for the three years of the new medium-term management plan, we have indicated our direction for the additional three years to shape the results of the transformation.
- Here, in addition to the KPIs announced in March, we have added the relative evaluation of stock price performance using TSR and updated our customer count targets.
- Please refer to page 16.

## Financial and Capital Strategies Centered on Risk Profile Transformation

- Achieve sustainable growth and improve capital efficiency by accelerating business growth and transforming the risk profile.
- In the new MMP period (3 years), aim to reduce interest rate and equity risk by approx. ¥560bn to steadily reduce such risks.



- This is a summary of our financial and capital strategies focus in the new mid-term management plan.
- The TSR shown on the next page has been below the midpoint of the peer group for the past several years. We also face the reality of continuing low valuations since listing. As a result, we think that it is necessary to take these issues head on.
- For this reason, we are oriented toward capital-cycle management through initiatives such as accelerating risk profile reform, quickly realizing a solid financial position, revamping shareholder payout policy and have set the goal of overcoming undervalued stock prices by achieving capital efficiency that stably exceeds cost of capital. We also strive to raise the level of information disclosure and dialogue with investors.
- In particular, we have decided to reduce interest rate and equity risks by approximately 20%, over the 3 year period by increasing both the volume and speed of reductions.
- Please refer to page 19.

## Introduction of TSR<sup>(1)</sup> into KPIs

- Adopt TSR relative to the competitors (10 domestic and overseas companies) as an key indicator for objectively evaluating the improvement of our group's competitive advantage over the 3-year period of the new mid-term management plan

### TSR Target Levels and Evaluation Methods

**TSR Target Level**  
(from FY2021)

**To build a relative advantage**  
compared to our 10 domestic  
and overseas competitors

#### • Comparative<sup>(2)</sup>

5 domestic insurance group companies and 5 overseas insurance group companies focusing on life insurance and competing in U.S and Japanese markets.

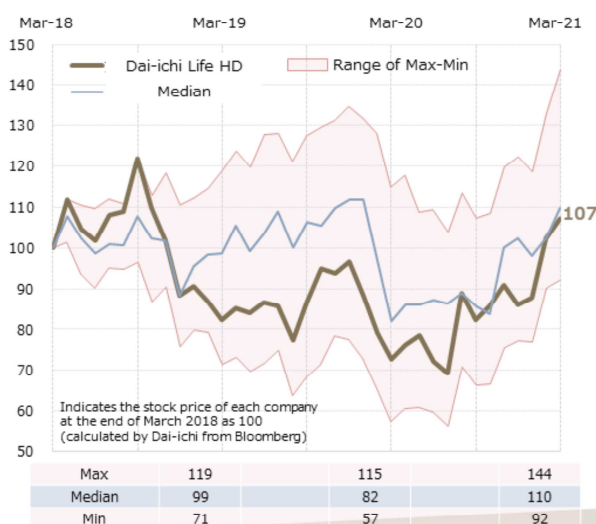
#### • Evaluation Method

Evaluate the relative rankings of 11 companies, including the 10 companies mentioned above and Dai-ichi Life HD.

#### • Evaluation Period

A period of 3 years of the mid-term management plan starting from the end of March 2021, which is the end of the previous mid-term management plan.  
For FY2021 and 2022, the evaluation period will be 1 and 2 years.

(Ref.) Relative TSR<sup>(1)</sup> During the Previous Mid-Term Plan



2018-2020

- 1 Overseas Comp. A
- 2 Overseas Comp. B
- 3 Overseas Comp. C
- 4 Domestic Comp. D
- 5 Overseas Comp. E
- 6 Domestic Comp. F
- 7 Domestic Comp. G
- 8  Dai-ichi Life HD
- 9 Domestic Comp. H
- 10 Overseas Comp. I
- 11 Domestic Comp. J

(1) TSR (Total Shareholder Return): Indicates the total investment yield to shareholders, including capital gains and dividends

(2) 5 domestic insurance group: (Japan Post Life, T&D HD, Tokyo Marine HD, MS&AD Insurance Group HD, SOMPO HD) 5 overseas life group: (Aflac, AXA, Manulife, MetLife, Prudential (US)) are set as peer group.

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## **Sustainability & Domestic Business Strategy of New MMP “Re-connect 2023”**

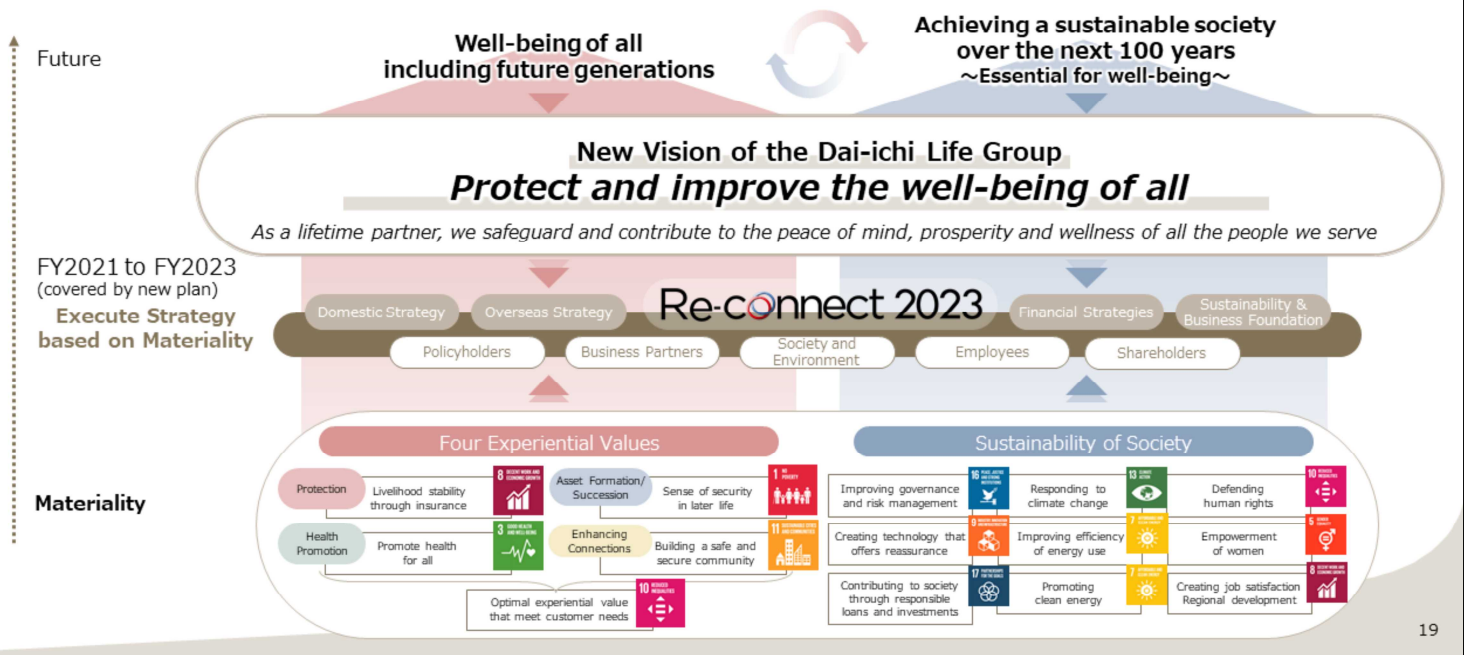
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## Dai-ichi Life Group Sustainability and Materiality

- Our ultimate purpose is to support well-being of all for a sustainable society over the next 100 years
- Contribute to resolve material issues through value propositions beyond the insurance domain



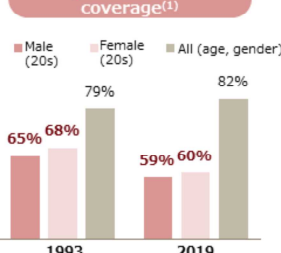
- We hope to continue to support well-being of all people. To this end, we will extend our business to offer four experiential values to truly be customer-centric.
- In addition, because a sustainable society is essential for our business, we consider a sustainable society to be the foundation of our business, and will extend our efforts to resolve material issues to ensure the sustainability of society.
- By adding the SDGs 10 "Reduced inequalities" to business domain related materiality and materiality related to ensuring the sustainability of society, we will pursue to offer our customers the best experiential values, and increase engagement with the employees who realize such efforts.
- Based on this philosophy, we have decided to change the Group Vision to "Protect and improve the well-being of all" in order for the group to be united and move into the future.
- Please refer to the following page.

## Role of DL Group – Current Status of Social Issues

### [Protection] Elimination of Protection Gap

- Continued lower insurance coverage among young generation
- Due to uneasiness on social security, people seek self-help solutions
- Especially for young generation, there is still a room for improving the awareness for potential needs

#### Change in life insurance coverage<sup>(1)</sup>

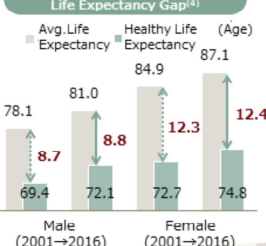


Actual amount of life insurance coverage relative to death benefit required<sup>(2)</sup>  
Approx.  
**57% covered**  
\*FY2019

### [Health/Medical] Improvement of Healthy Life Expectancy

- Although life expectancy is prolonged, the gap between average life expectancy & healthy life expectancy is not shrinking
- Increasing medical expenditures are pressuring Japanese public finances
- Health awareness, disease prevention as well as initiatives for medical cost control will be the key

#### Avg. Life Expectancy & Healthy Life Expectancy Gap<sup>(4)</sup>

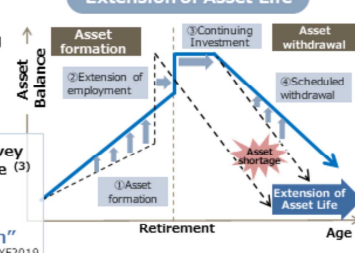


National medical expenditures vs GDP & National Income<sup>(5)</sup>  
vs GDP **7.9% (+2.3%)**  
vs National Income **10.7% (+2.9%)**  
\*FY2018 (vs FY1998)

### [Asset formation/Succession] Extension of Asset Life

- Increased potential risks of asset exhaustion due to longevity and lower interest rates
- Needs to support asset formation planning and improve financial literacy
- Asset succession to next generations

#### Extension of Asset Life

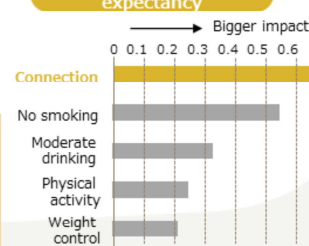


Self assessment survey of financial knowledge<sup>(3)</sup>  
More than **70%** answered  
“I Don't know much”  
\*FY2019

### [Enhancing Connections] Realization of Spiritual Wealth

- The biggest factor for healthy life expectancy is “connections to society” rather than refraining from smoking or drinking.
- However, more people feel they do not have enough connection in their community.

#### Factors for healthy life expectancy



Survey on connections in neighborhood<sup>(6)</sup>  
More than  
**65%** answered  
no connections  
not much connections  
\*FY2020

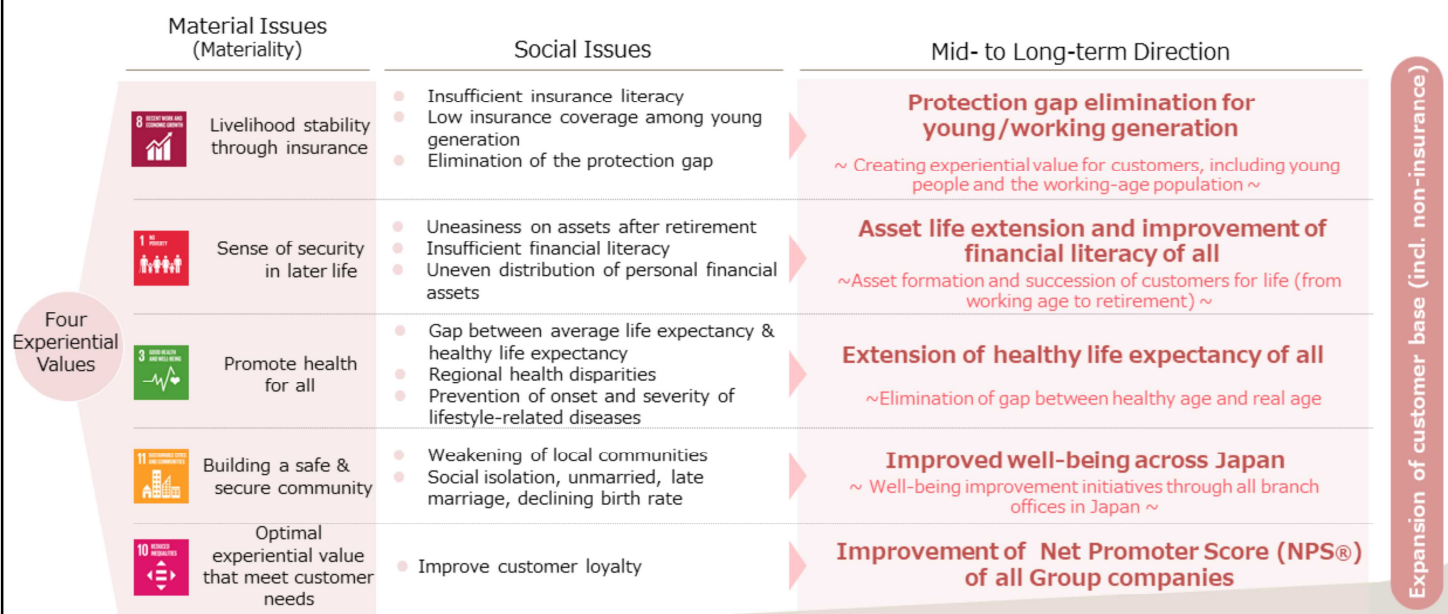
(1)(2)(3) Japan Institute of Life Insurance Survey (4)(5) Japan Ministry of Health Labor and Welfare Ministry of Internal Affairs and Communication (6) Bureau of Social Welfare and Public Health Tokyo Metropolitan Government Survey

- The important role of life insurance companies is to solve social issues. For example, in the area of protection, as social security is being compressed, customers will have to design their own security and peace of mind through self-help solutions, and the social value of risk-sharing functions which the insurance company can provide will increase.
- Up to the generation before the baby boomers, self-help coverage is in place to some extent, but the insurance coverage rate for people in their 30s and 20s has dropped significantly, and overall, the amount of death insurance is less than 60% of the required coverage amount.
- We also recognize that the areas in which DL's wide network can contribute to solving social issues are expanding, such as the anxiety related to longevity risk and shortage of asset as people live longer. Also there is increasing anxiety in the society that people will continue to suffer from some disease or illness as there is the 10-year gap between average life expectancy and healthy life expectancy, and the growing sense of isolation due to the increased number of single-person households.
- Please refer to the next slide.



## Mid- to Long-term Direction for Resolving Key Issues– 4 Experiential Values

- Apply specific social issues for each materiality, set medium- and long-term goals, and measure the Group's contribution.
- Aiming to increase the number of customers, including those in the group's non-insurance sectors, through the solution of social issues.

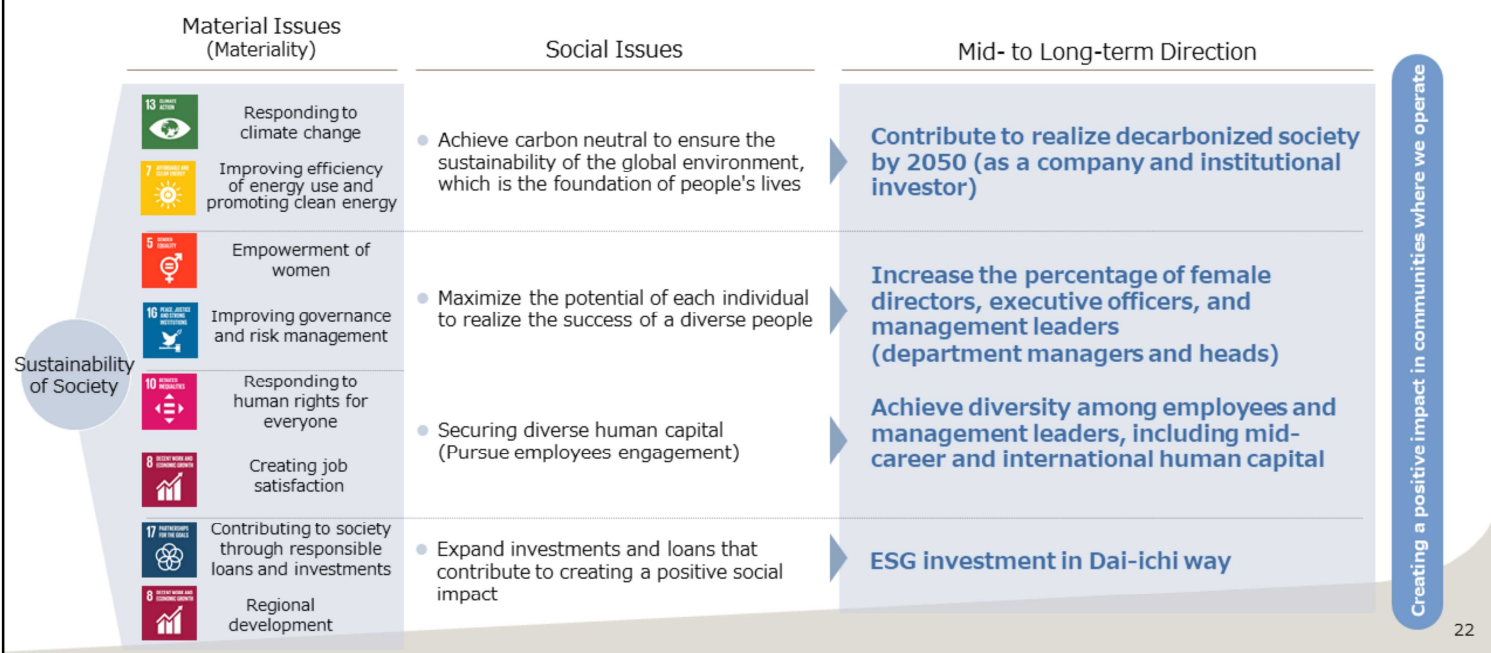


21

- In this section, I will present the medium- to long-term direction we are aiming to take, for each of the four experiential values that comprise our key issues and the CX improvement that supports “Well-being” of people.
- We intend to demonstrate the significance of our existence in society based on the recognition of the issues described above.
- Please move on to the next page.

## Mid- to Long-term Direction for Resolving Key Issues– Sustainability of Society

- Regarding regional and social sustainability initiatives, we plan to set targets led by domestic Group companies.
- Going forward, we will aim to create a social impact through our unique products and services.



- In the new medium-term management plan, we will also make further efforts to address important issues related to ensuring the sustainability of communities and society.
- For example, with regard to our response to climate change, as we have already released, we have decided on a policy to procure 100% of the electricity consumed by Dai-ichi Life's business activities from renewable energy sources by FY2023, to achieve carbon neutrality. In addition, as a responsible institutional investor, we aim to expand ESG investment to our group companies. At first, Dai-ichi Life will aim for net zero emission of greenhouse for investment portfolio by 2050.
- We also believe that in order to anticipate the diversifying values and needs of our customers and delivering experiences and impressions that exceed their expectations, we need to have diverse human capital and an organization that promotes diversity and inclusion. In addition to our efforts to realize a gender-equal society, we will create an environment where talents with various backgrounds, such as mid-career employees, non-Japanese, and specialists, can work vigorously in their own way, enhance their individual and organizational capabilities and productivity, and easily connect with their peers, share ideas, and create synergies.
- Please refer to the next page.

## Strategies of New Mid-term Management Plan: Domestic Business



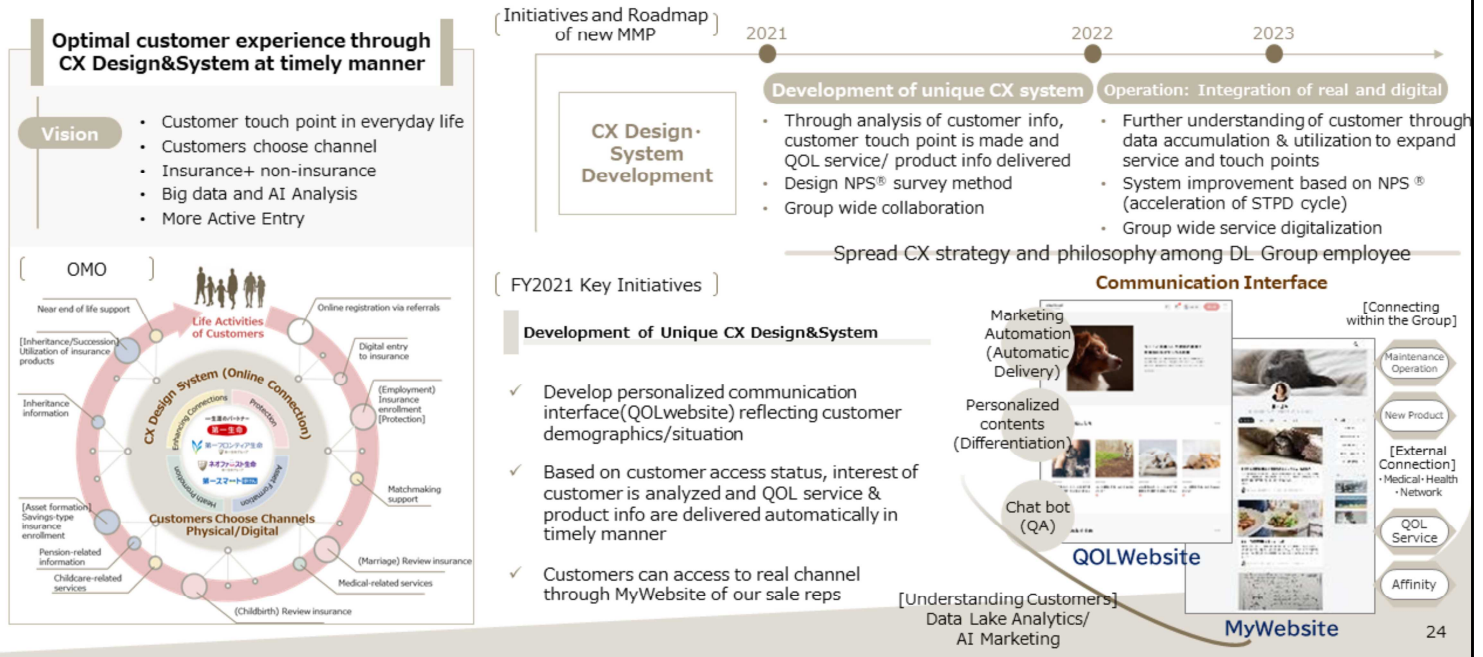
- Let me now discuss our domestic business strategy.
- In domestic business, we have established an organizational unit in charge of each of the 4 experiential values and the CX design strategy that connects them. We will further enhance our product and service menu to help our customers solve their problems and realize their happiness and wellbeing.
- In addition to promoting these businesses, we will also promote reforms related to Total Life Plan Designers channel and take measures to reduce fixed costs.
- Please go to the next page.

## CX Design Strategy

Material Issues  
(Materiality)



- Realization of OMO (Online Merges with Offline) through CX strategies in line with customers' experience in everyday life.
- Further understanding of customers to deliver experiences that exceed expectations and increase fan base to grow our business.



- In the domestic business, we will implement CX design strategy to digitalize and sophisticate our business & service process.
- The CX design strategy is aimed to deliver experiences and impressions that exceed customer expectations and increase fan base leading to the growth of our business.
- Based on this strategy, we intend to expand customer touch points, enhance our capability for consulting, and understand customers through data analytics, in order to provide high quality customer experience.
- The CX design strategy combines the strengths of our face-to-face channel and expansion of on-line customer contact points through the realization of our group-wide Online Merges with Offline (OMO).
- Please move on to the next page.

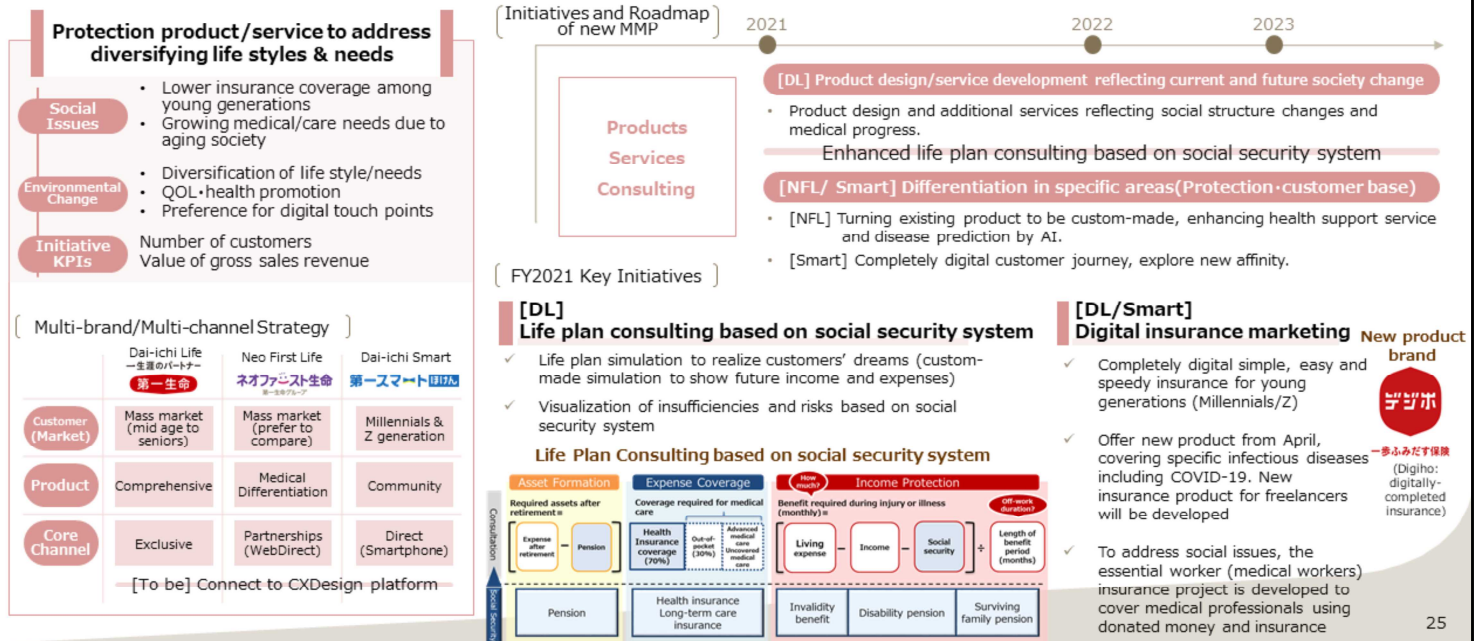


## [4 Experiential Values] Protection

Material Issues  
(Materiality)



- Closing the protection gap of various customer base by providing protection service from 3 companies including Dai-ichi Smart.
- While domestic life is demonstrating strengths by utilizing multi-brand/multi-channel strategies, we are getting ready to connect to CX design/system (planned go-live from next FY).



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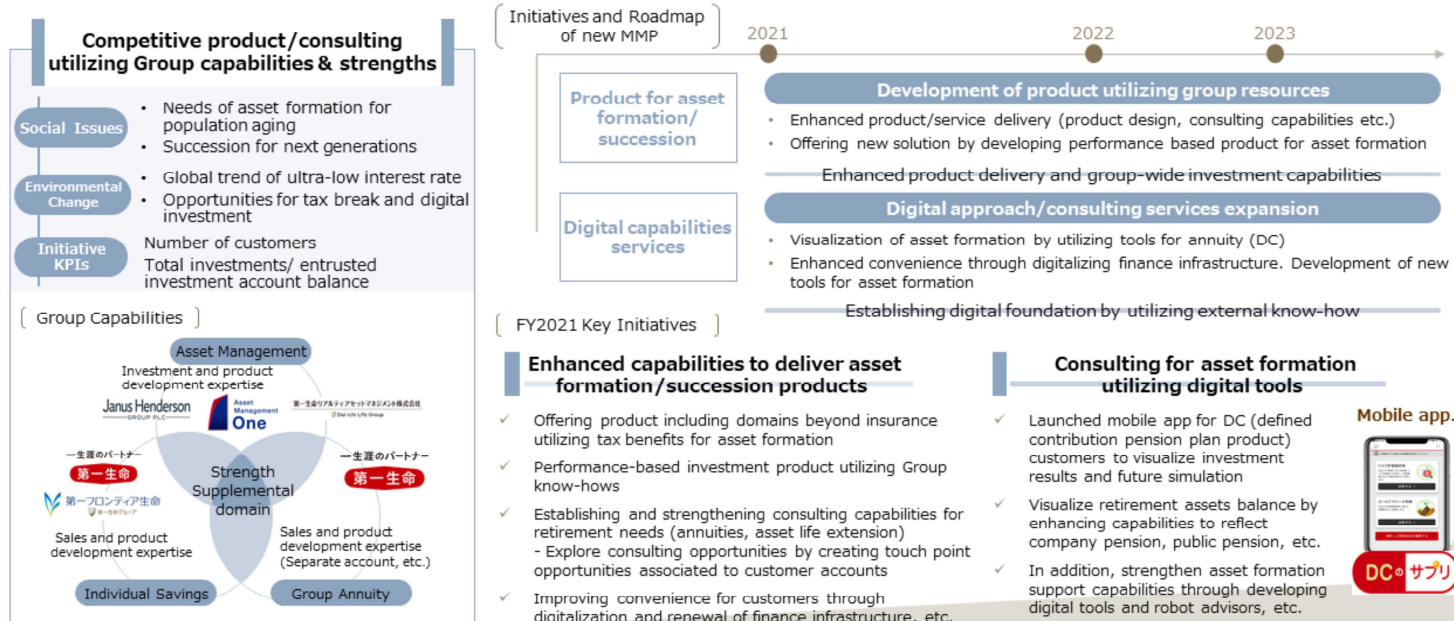
- In domestic business, 3 companies including newly established Dai-ichi Smart insurance are providing protection capabilities to close protection gap of customers.
- Dai-ichi Life is aiming not only to maintain variety of products to support diversifying customer needs but also aims to expand product range, to address risks that customer may face. In addition, through life plan simulation, insufficiency of protection or potential risks are visualized to provide customer-centric consulting.
- NFL works on a development of wellness related services such as disease prediction and health support.
- Dai-ichi Smart focuses on supporting Millennials and Z generations through offering coverage at just the right amount of protection at the right timing. Recently, DL and Dai-ichi Smart has created new brand called "Digiho" which offers a completely digital customer journey starting from application to final claims processing, using a smart phone. In addition, the Essential Worker Support Insurance (combining donations and insurance to support medical/social workers) gained attention from people with interest in social contribution and donations of over ¥2 million received.
- Please move on to the next slide.

## [4 Experiential Values] Asset Formation & Succession

Material Issues  
(Materiality)



- Leverage the group strengths in asset management, product development and sales force to develop products
- Develop online touch points through constructing digital business foundation for enhanced convenience and consulting capability



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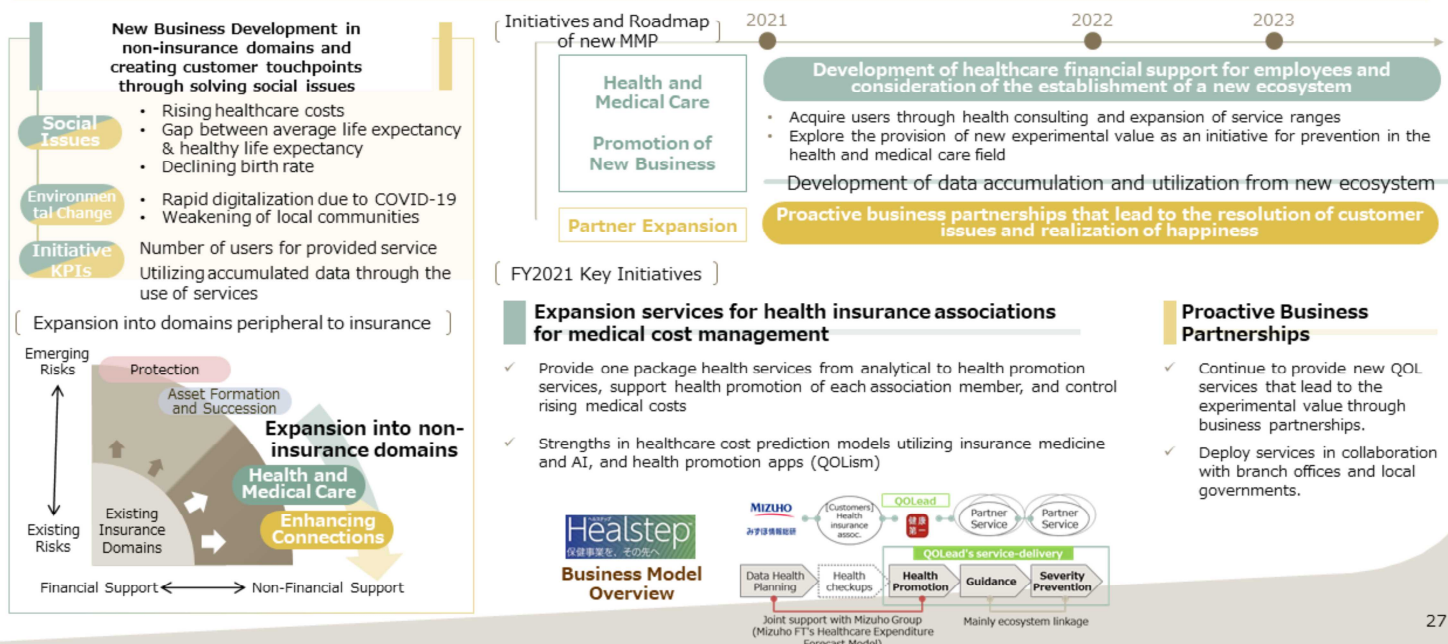
- In the asset formation and succession domain, capabilities of individual savings business at DL and DFL, investment management and group annuity business at DL are combined to meet customer needs.
- In promoting business strategy, efforts will be integrated in asset formation and succession value chain, and by promoting digital asset formation services, we will expand contact points to new customer groups such as young people, as well as providing more familiar support to existing customers.
- By integrating these initiatives with existing face-to-face channel and customer base, we will work on establishing our unique asset formation and succession model, in order to extend asset life of all customers.
- For instance, we plan to offer products for asset formation which is beyond the framework of insurance, and enhanced investment consultation for retirement, as well as improve customers' convenience through offering digital infrastructure for financial products.
- As for consultation for asset formation utilizing digital tools, we offer mobile application for DC customers which visualize their financial balance after retirement.
- Please move on to the next page.

## [4 Experiential Values] Health and Medical Care / Enhancing Connections

Material Issues  
(Materiality)



- Continue to take on challenges in the health and medical care domain while collaborating with companies in this field.
- In the enhancing connections domain, offer services such as matchmaking, end of life planning, and business succession support, without being constrained by the framework of insurance.



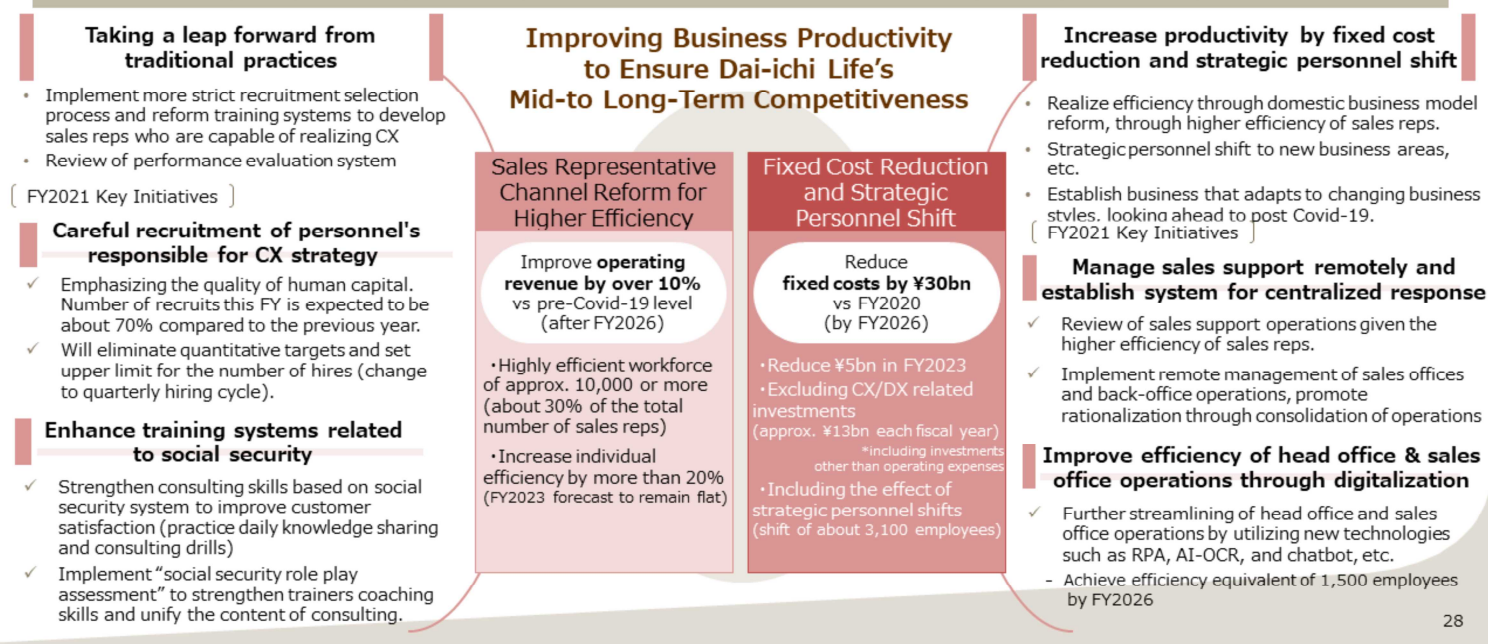
27

- On this slide, I will talk about the Health and Medical Care domain.
- In Japan, with the development of medical technology, an increase in the burden of medical expenses for government and health insurance associations has become a serious social issue. In addition, while continuing to be “healthy” is a major prerequisite for people to realize well-being, we believe that the gap between life span and healthy life span is also an issue to be resolved.
- To contribute to the health of people and reduce the burden of medical expenses, we will not only expand the newly launched “healthcare financial support for health insurance associations for medical cost management”, but also continue to take on various challenges, such as the proposal of preventive medicine, in collaboration with companies in the health and medical fields.
- In addition, many studies have pointed out that having good connections with someone is not only deeply related to the QOL of that person, but also helps maintain health. Especially in Japan, the percentage of men aged 65 or older who are unmarried was 5.9% in 2015, but it is forecasted that it will reach 14.9% in 2040. Thus, it is pointed out that there is a possibility that the number of men who are isolated will increase. Now that physical connections between people have been broken down by Covid-19, I believe that we can contribute to the society by rebuilding this connection.
- For these reasons, in the “enhancing connections” domain, we will contribute to solving social issues by offering a variety of additional services, such as matchmaking, end of life planning, and business succession support, without being constrained by the framework of insurance business.
- Please refer to the next page.



## Improving Business Productivity to Ensure Dai-ichi Life's Mid-to Long-Term Competitiveness

- The sales reps channel will leverage its strengths of face-to-face consultation to create high-value-added channel that provide a broad experience, in both the insurance and non-insurance field.
- Initiative to improve productivity through digitalization is one of the main initiatives to improve capital efficiency in DL.



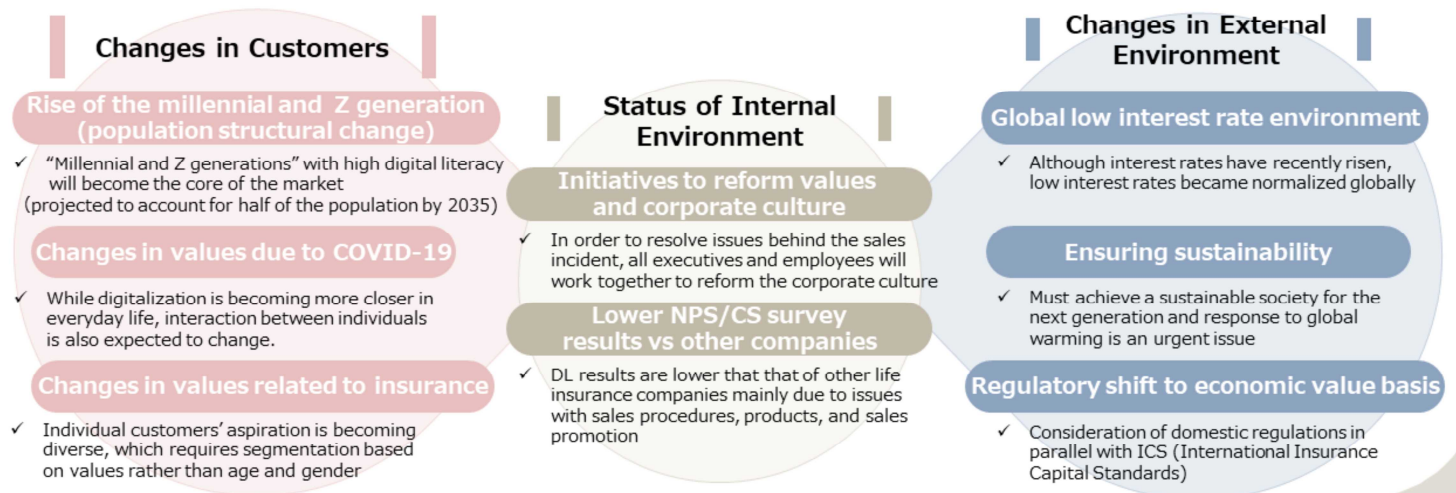
- Initiatives to improve productivity, is one of the main efforts to improve capital-efficiency at Dai-ichi Life, along with the reduction of market related risk.
- First, with regard to sales reps, we will work to strengthen the consulting capability in order to continue to leverage our strengths of face-to-face advise with nationwide network, while digitalization and remote sales trends are accelerating. In particular, this fiscal year, we will focus on the recruitment of human capital who are capable of delivering high-quality experiential value and enhance our training system, with the aim of increasing operating revenues over the long term.
- Next, in terms of reducing fixed costs, we will aim to streamline our business operations by improving the capability of sales reps, developing sales support tools by utilizing digital technology, and strategically shifting back-office personnel. At the same time, we plan to invest in CX and DX related initiatives to secure a competitive advantage going forward.
- Please refer to the next page.



## Toward a Foundation for Sustainable Growth (Determination based on Customers change and External/Internal Environment)



**Amid a rapid change in the business environment our group transformation is inevitable**  
**New medium-term management plan is a 3-year period of new challenges to achieve a sustainable growth foundation**



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- Finally, I would like to reiterate that, as we launch the new medium-term management plan after witnessing COVID-19 and incidents by Dai-ichi Life sales representative, the Group reconsidered our role to play in the society in order for us to sustainably be of service over the future.
- We have to keep functioning as a social safety-net provider to protect the well-being of us who live now, but also those who receives the insurance benefit in the future as well as the future global environment. That is why we considered it essential to review and strengthen our connections.
- Now, we are taking a variety of initiatives based on the keywords of “shifting management values from quantity to quality”, such as reforming our sales channel structure, pursuing four experiential values, pursuing capital efficiency over profit amounts, and revamping our corporate culture and structure.
- Towards the future, by leveraging what we own, we start a new plan of transformation to truly become a part of society. I would like to ask for your continued warm support.
- That will conclude my explanation. Thank you very much.

## References

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## [Environment] Drive Initiatives for Carbon Neutral

### Material Issues (Materiality)



Responding to  
climate change



Improving energy use  
efficiency and promoting  
clean energy

Set new targets for CO2 emission reduction  
(50% reduction by FY2025, 100% reduction by FY2040)

- ▶ For CO2 emission reduction (Scope 1+2)  
plan to achieve target ahead of previous schedule

(Scope 1+2) vs. FY2019

FY2025- **50%** reduction  
FY2040- **100%** reduction

- ▶ Set targets reducing Scope 3 of CO2 emissions for items  
that should be emphasized from the perspective of leading  
change in business and employee behavior\* (Dai-ichi Life)  
\*Limited to identifiable items

Dai-ichi Life (Scope 3) vs. FY2019

FY2030- **30%** reduction  
FY2050- **100%** reduction

Towards net zero greenhouse gas  
emissions of investment portfolio  
(Dai-ichi Life)

- ▶ Join Net-Zero Asset Owner Alliance, an  
international initiative in which institutional  
investors aim to transition to portfolios with  
net-zero greenhouse gas emissions by 2050

### Specific Initiatives

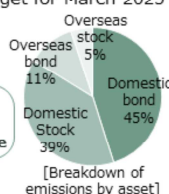
- Set interim 5 years targets  
(stocks, bonds, real estate)
- Strengthen engagement with investee  
companies (dialogue on climate change  
response, etc.)
- Supporting transition to a low-carbon  
society and creation of environmental  
innovation through investments

Based on alliance protocol, set target for March 2025

- ✓ Reduce CO2 of listed stocks,  
bonds, and real estate by  
25% vs the end of FY2019

CO2 emission\* of listed  
stocks/corporate bond  
[FY2019] **approx. 6.51 million tCO2e**

\*Sum of Scope1 & 2  
Source: S&P Trucost Limited



Set policy to achieve 100%  
renewable energy (Dai-ichi Life)

- ▶ Joined international initiative "RE100" (August 2019)
- ▶ Set a policy to procure 100% of the electricity  
consumed in business activities from renewable  
energy by FY2023 (For real estate with investment  
purpose achieve during FY2021)
- ▶ Establish a scheme to supply electricity to our owned  
real estate from invested and financed renewable  
energy power plants (51 domestic and overseas  
plants with a total output of about 6,500MW),  
utilizing FiT-certified renewable electricity with  
tracking option

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## [Society] Promotion of D&I(Diversity & Inclusion)

- ▶ Promote D&I in human capital management and organizational development in order to meet diversifying market needs and achieve sustainable growth.
- ▶ Improve productivity and competitiveness over the medium to long term by promoting D&I, aiming to achieve business goals and realize sustainable growth.
- ▶ Foster a corporate culture that allows employees to express their personality through work style reforms, etc., and secure a competitive edge in the labor market.

### Material Issues (Materiality)

Empowerment  
of womenDefending  
human rightsCreating job  
satisfaction

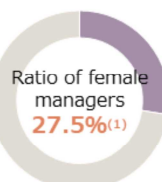
Improve productivity and competitiveness of  
individuals and organizations

Achievement of management goals

Sustainable growth

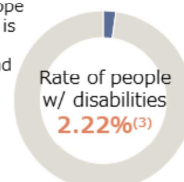
### Ratio of female managers

- As a new target for ratio of females at managerial level, aiming to achieve a 30% of positions at the line general manager and line manager level to be filled by female by April 2024 from 13% as of April 2021.



### Employment rate of people with disabilities

- Aiming to realize normalization, the scope of work for employees with disabilities is expanding, mainly through special subsidiaries, to create a challenging and rewarding workplace.



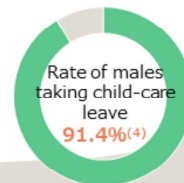
### Rate of international employees

- Strengthen international competitiveness through domestic and international exchange of executives, overseas trainee system, and promotion of overseas human capital in DL Group.



### Rate of males taking child-care leave

- Establish a system to promote male employees' participation in childcare, aiming for a 100% acquisition rate.



(1) As of April 1, 2021, total of Holdings and domestic companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life). (2) As of end of March, 2021, total of 5 overseas subsidiaries. (3) As of June 1, 2020, total of Holdings and Dai-ichi Life (including career rotation), Dai-ichi Life Information Systems, Dai-ichi Life Business Services, Dai-ichi Life Challenged. (4) As of end of March, 2021 total of Holdings and Dai-ichi Life (including career rotation).

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## Dai-ichi Life's Basic Policy on ESG Investment

- ▶ From a mid- to long-term standpoint as a universal owner of a wide range of assets, Dai-ichi Life has positioned ESG investment as a pillar of its assets management and aims to both generate investment returns and solve social issues.
- ▶ To promote ESG investment in "the Dai-ichi Life way", the Company takes initiatives with a focus on "creating a positive impact" and "engagement".

### Basic policy on ESG investment

#### ① Incorporate ESG factors in investment policies and processes for all assets.

- In addition to corporate valuation, begin gradually embedding ESG factors in assets such as government bonds
- Systematically consider ESG factors in asset allocation decisions and investment decisions for each asset

#### ② Invest in solutions to social issues that Dai-ichi Life sets as priorities (QOL, climate change, regional development/ revitalization)

##### ESG theme based investment

Investment amount Approx. ¥800bn ※As of March 2021

SDGs bond Approx. ¥280bn SDGs Business Approx. ¥340bn  
Impact investment Approx. ¥8.2bn/20-25% Regional dev. Approx. ¥150bn

#### ③ Stewardship activities for promoting ESG initiatives in investee companies

##### Engagement

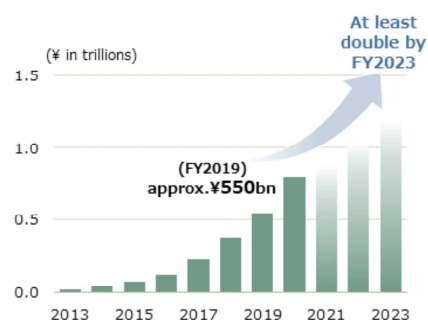
※FY2019

Dialogue 239 companies Executive interview Approx. 58%  
Percentage of companies engaged in domestic stock portfolio  
Total in 3 years approx. 89% FY2019 Approx. 66% (Market value basis)

- Target completion of integration into investment processes by FY2023.
- Building an asset portfolio that achieves both investment results and solutions to social issues.

- More than double the cumulative investment amount by FY2023.
- Creating a positive impact on society by investing in and financing assets that contribute to solving social issues.
- Actively promoting "transition finance" to support efforts towards zero-emission.
- Establish methods to monitor social impact and enhance information disclosure.

(Examine the CO2 emissions of the investment portfolio and the amount of positive impact created through investments and loans.)



- Encourage positive approaches and behavioral changes toward solving social issues through dialogue (engagement) with portfolio companies
  - Enhanced engagement on climate change and key topics related to ESG
  - In-depth engagement on business strategy, such as meaning of existence (purpose) and consistency between management philosophy and business model
  - Improving the effectiveness of corporate governance

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## Participating in Initiatives on Sustainability

- ▶ Promote efforts to realize a sustainable society through membership in various domestic and international initiatives

Sustainability  
Accounting Standards  
Board(SASB)



UN Global  
Compact(UNGC)



International Corporate  
Governance  
Network(ICGN)



Women's Empowerment  
Principles(WEPs)



30% Club Japan



Action guidelines for financial institutions  
for creating sustainable society (Principles  
for Financial Action for the 21st Century)



Principles for  
Responsible  
Investment



Access to  
Medicine Foundation



Japan Stewardship  
Initiative



Institutional Investors  
Collective Engagement  
Forum



### Climate change

Task Force on Climate-  
related Financial  
Disclosure(TCFD)



RE100



Climate Action 100+



THE NET-ZERO  
ASSET OWNER  
ALLIANCE

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## [Governance] Organizational Structure of Board of Directors

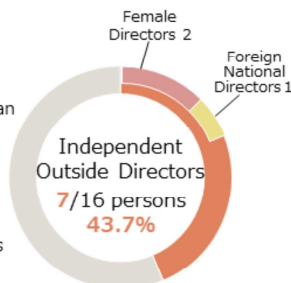
- ▶ Well-balanced composition of the Board of Directors, which is composed of Inside Directors with a wide range of knowledge in insurance business and Outside Directors with external experience and knowledge.
- ▶ With focus to strengthen supervision of diversifying group companies selected to be a company with an Audit and Supervisory Committee.
- ▶ Established a voluntary advisory committee with a majority of Outside Directors to ensure management transparency and objectivity.

### Board of Directors

Meetings held in FY2020: 13

#### Major themes for deliberation

- Implementation status of a medium-term management plan and prospects for attainment
- Status of development and operation of internal control system (internal audit, risk management, compliance, handling of antisocial forces, etc.)
- Details of deliberation at the Nominations / Remuneration Advisory Committees
- Verification of validity concerning alliances and acquisitions
- Planning of new medium-term management plan



### Nominations Advisory Committee

Meetings held in FY2020: 5

#### Major themes for deliberation

- Candidates for directors (Proposal)
- Matters regarding succession plan

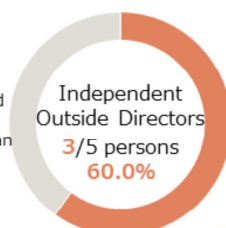


### Audit & Supervisory Committee

Meetings held in FY2020: 23

#### Major themes for deliberation

- Corporate governance initiatives and appropriateness of business management and internal control system
- Status of discussion, and adequacy of planning process and details of new medium-term management plan
- Implementation status of a medium-term management plan and adequacy of initiatives to address management issues
- Accounting audits including cooperation with the independent auditor
- Formation of opinions on the appointment and remuneration of directors, etc.

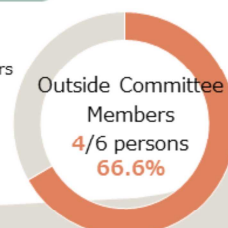


### Remuneration Advisory Committee

Meetings held in FY2020: 8

#### Major themes for deliberation

- Amount of remuneration for individual officers
- Allotment of restricted stocks
- Policy for Determining Remuneration of Directors and Executive Officers



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## [Governance] Knowledge and Experience of Directors of the Company

- Appointed directors with sufficient and social credibility, and knowledge and experience to manage the Group's transparent, fair, prompt and bold decision-making.

### Directors Skill Matrix

	 Koichiro Watanabe	 Seiji Inagaki	 Hideo Teramoto	 Tetsuya Kikuta	 Hiroshi Shoji	 Mamoru Akashi	 Toshiaki Sumino	 George Olcott	 Koichi Maeda	 Yuriko Inoue	 Yasushi Shingai	 Nagahama Morinobu	 Fusakazu Kondo	 Rieko Sato	 Ungyong Shu	 Koichi Masuda
Title	Director and Chairman of the Board	Representative Director and President	Representative Director and Vice Chairman	Representative Director and Senior Managing Executive Officer	Director and Managing Executive Officer	Director and Managing Executive Officer	Director and Managing Executive Officer	Director	Director	Director	Director	Director (Audit & Supervisory Committee Member (Full-Time))	Director (Audit & Supervisory Committee Member (Full-Time))	Director (Audit & Supervisory Committee Member)	Director (Audit & Supervisory Committee Member)	Director (Audit & Supervisory Committee Member)
Corporate Management	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓
Global Management	✓	✓		✓			✓	✓	✓		✓				✓	
Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	
Accounting / Actuarial Affairs	✓	✓	✓	✓	✓		✓				✓		✓			✓
Legal Affairs							✓			✓	✓	✓		✓		
Compliance	✓	✓	✓						✓	✓	✓	✓		✓		
Risk Management	✓	✓	✓				✓				✓	✓		✓	✓	
ICT・DX <sup>(2)</sup>			✓			✓			✓	✓	✓					
Innovations (New Business Development)			✓	✓		✓					✓					
Sustainability				✓			✓	✓		✓	✓	✓				

(1) Assuming proposal 2 of this General Meeting of Shareholders is approved by resolution on June 2021, knowledge and experience possessed by the Company's directors will as shown above.

(2) ICT is an abbreviation for Information and Communication Technology, and DX is an abbreviation for digital transformation.

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## [Governance] Amount of Remuneration for Directors and Executive Officers

- ▶ In addition to the base amount, Executives will grant short and long term incentives through performance-linked and restricted stock amount.
- ▶ The higher the rank, the greater the proportion and range of performance-linked amount, and the more committed to company's performance.

### Remuneration for Directors and Executive Officers

#### Remuneration System for Directors

- Set performance-linked amount as a short-term incentive, and restricted stock amount as a long-term incentive

	Directors*		Directors (Audit & Supervisory Committee Members)	Remarks
	Inside	Outside		
Base Amount	○	○	○	Remuneration according to duties and responsibilities
Performance-linked Amount (company performance, individual performance) [Short-term incentive]	○	—	—	Linked to the level of achievement of performance indicators
Restricted Stock Amount [Long-term incentive]	○	—	—	Set as an incentive to achieve management objectives and enhance corporate value in the mid-to long-term

\*Excluding Directors serving as Audit & Supervisory Committee Members)

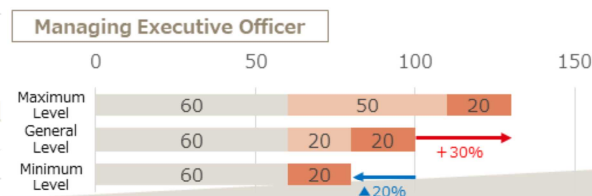
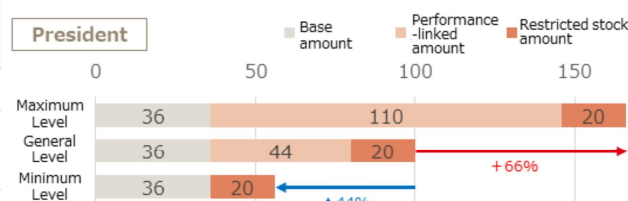
#### Performance Indicators

- Set KPIs linked to the enhancement of the Group's corporate value

Viewpoint	KPI	Viewpoint	KPI
Economic Value	Group ROEV	Accounting Profit	Group Adjusted ROE
	Group Value of New Biz		Group Adjusted Profit
Free Cash	Market Risk Reduction	Market Valuation	Relative TSR
	Free Cash Flow		Economic Solvency Ratio

#### Remuneration Variation for Each Rank

- Remuneration breakdown for each rank varies as shown below

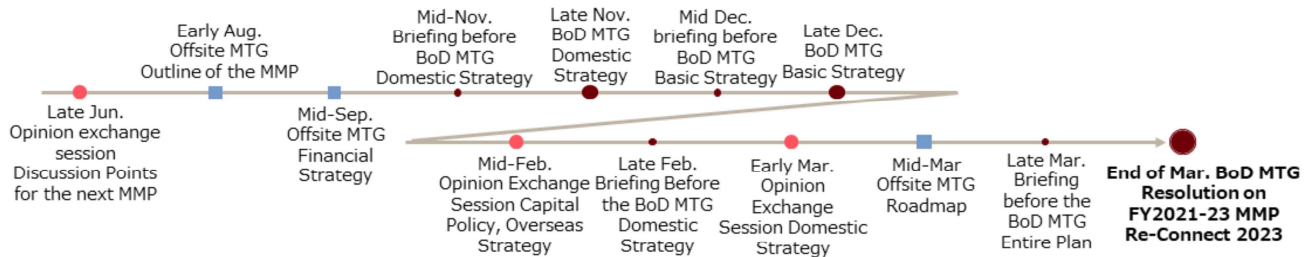


※"100" is used if the performance evaluation index for each position is the standard value

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Timeline of discussion, advice, and supervision by members of the Board of Directors regarding the formulation of mid-term management plan

- The discussion on the formulation of the mid-term management plan has started in June, and discussed 13 times in total, leading up to the resolution at the end of March 2021.



- Communication among inside and outside directors was enhanced to improve the effectiveness of the BoD.

<b>Briefing before the board of director MTG</b>	12 times	For fruitful deliberations at the Board of Directors meetings, explanations on important issues and other relevant matters were provided to outside directors by executive officers in charge of the relevant matters three business days before the meetings.
<b>Opinion exchange sessions</b>	10 times	Members of the Board of Directors exchanged their opinions after the Board of Directors meetings, for the purpose of freely and openly exchanging opinions mainly on mid-to long-term themes and early-stage important themes to be brought up at the Board of Directors meetings in the future.
<b>Meeting of outside directors</b>	24 times	The meetings were held for outside directors to frankly exchange opinions and communicate with each other. (the president and executive officers in charge of corporate planning were present as necessary)

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## Investor Contact

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