(Unofficial Translation)

FY2021-3Q Financial Results Conference Call for Institutional Investors and Analysts

Q&A Summary

Date:	February 14, 2022 16:55-17:30
Respondent:	Taisuke Nishimura, Chief of Corporate Planning Unit Dai-ichi Life Holdings, Inc. (the "Company")

<u>Domestic New Business Performance</u>

Q DL's new business performance still looks weak in Q3. Is a full recovery difficult until sales target will be set in the next fiscal year under the new sales management policy?

A While the sales performance in terms of the number of policies acquired is solid, in terms of annualized net premium it is still in the process of recovery due to the large share of conversion of existing policies. We are considering a range of initiatives, such as an enhancement of the tools for non-face-to-face sales activities, a reform of sales representatives management, and new product launching. We need to tackle the issues toward the next fiscal year, taking into account the effect of those initiatives.

Q At DL, how much will be the adverse impact on value of new business brought by updating the unit cost assumptions?

A While it is expected that the unit cost will increase by a certain amount on the calculation at the end of this fiscal year mainly due to the digital and IT investments, we cannot share further details at this point.

Q Regarding new business at DL, what is the reason for the percentage of number of conversion policies to decline from 30% in the first half to 20% in Q3 (from October to December)? How do you plan to control it in the next fiscal year?

A The hospitalization insurance with lump-sum benefit (simplified application type) which was launched in last June attracted customers who had been facing difficulties to have an insurance, and it contributed to increase the number of new customers. We aim to increase the percentage of new policies by providing attractive products and services mainly to new customers in younger generation through a reform of sales representative management and launching new product.

Q As we see the news report about a pay-raise for sales representatives, how do you see its impacts on the profit and value of new business based on the assumption of current new business performance? Will this pay-raise be incorporated in the update of unit cost assumption as of this fiscal year end?

A For the sales representatives who will join from April 2022, we are considering to introduce a new monthly compensation system on fixed basis over the five years after recruitment in order to enhance their consulting capability as a training period. Instead of high volume recruitment and high turnover, we have started selective recruitment from this fiscal year. While we cannot say the impact on the profit and value of new business clearly at this point, we aim to provide value to customers over the long-term period. Since the update of unit cost assumption as of this fiscal year end is calculated based on the actual results of this fiscal year, pay-raise impact will not be incorporated.

<u>Economic Solvency Ratio (ESR), Payouts to Shareholders</u>

Q Given the economic solvency ratio (ESR) is well above the target level of 200%, when should we expect the announcement of share buyback?

A In the last fiscal year, we announced the share buyback at the time of new mid-term management plan announcement. That share buyback has progressed to 80% at this point. As for additional payouts to shareholders, we would like to determine this by considering the level of ESR, regulatory capital, available cash position, as well as the financial performance. The timing of the announcement cannot be answered decisively at this stage. We will communicate with the capital markets about our decision to use capital toward the strategic investments and/or shareholder payouts with transparency.

Q Given that the financial market environment is changing significantly, do you plan to change your cash surplus forecast for around ¥200 billion as of the end of March 2022?

A As we have not changed the earning forecast, there is not any factor impacting the forecast.

Q Now that the ESR is well above the upper limit of the target range of 200%, do you have a plan to revert it back to 200%?

A ESR is an economic-value-based indicator and includes the present value of future profits, which is why not all of the surplus of ESR can be used for the strategic investments and/or payouts to shareholders. Surplus capital is to be allocated to strategic investments and/or payouts to shareholders, based on the concept of disciplined capital circulation management from the perspective of regulatory capital, constraints of cash upon remittance of dividends from subsidiaries, in addition to ESR.

Q The interim decision for the economic-value-based capital regulation in Japan is expected to be made around this June. While some issues are still being left, how do you evaluate it?

A We are conducting a plenty of analysis on the deliberation toward the implementation, and having a conversation with the supervisory body as well as proposing our opinion. While there are a range of issues, we think that it will not be significantly different from our internal ESR calculation method in a broad sense of direction. By taking a closer look at the ongoing situation and continuing the discussion toward the implementation of economic-value-based regulation, we intend to check if any adjustment on our calculation method is necessary.

Q Is there any possibility that you consider changing the shareholder payout policy from current accounting-based to economic-value-based in future? If so, as the available cash may be a constraint, do you have any thought of returning surplus to shareholder by raising debt, taking into account the nature of insurance contracts in which future profit is foreseeable?

A While the surplus is being generated as ESR exceeds 200% at this point reflecting the progress of the market risk reduction, it is true that the source of dividends from accounting viewpoint and cash became constraints for the strategic investments and shareholder payouts. Though we intend to consider the way to generate cash efficiently through a range of ideas such as reinsurance, we should be cautious to increase shareholder payouts simply by raising debt, from the perspective of financial prudence. In addition, a certainty of the present value of future profit which is included in economic value capital could be evaluated considering the level of risk margin. Generally, it is important to decide how to use available cash upon the collection of surplus capital from group entities.

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

[Abbreviated company names]

HD: Dai-ichi Life Holdings, DL: Dai-ichi Life, DFL: Dai-ichi Frontier Life, NFL: Neo First Life, PLC: US Protective, TAL: Australia TAL,