

Financial Analyst Conference Call for the Six Months Ended September 2022

November 24, 2022

Dai-ichi Life Holdings, Inc.



Dai-ichi Life
Holdings

Agenda

Time	Topic	Speaker	Title
10:00 ~ 10:20	Key KPIs of the Medium-Term Management Plan	Tetsuya Kikuta	Representative Director, Senior Managing Executive Officer Chief Financial Officer
10:20 ~ 10:50	Domestic / Overseas Business Strategy	Seiji Inagaki	Representative Director, President Chief Executive Officer
10:50 ~ 11:40	Q&A session		

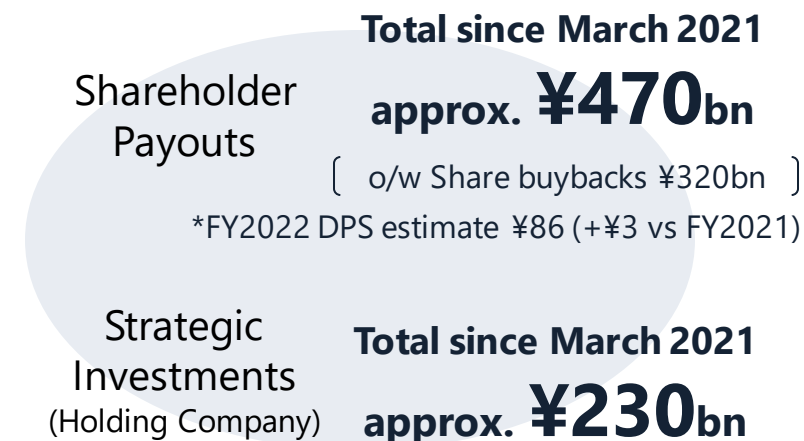
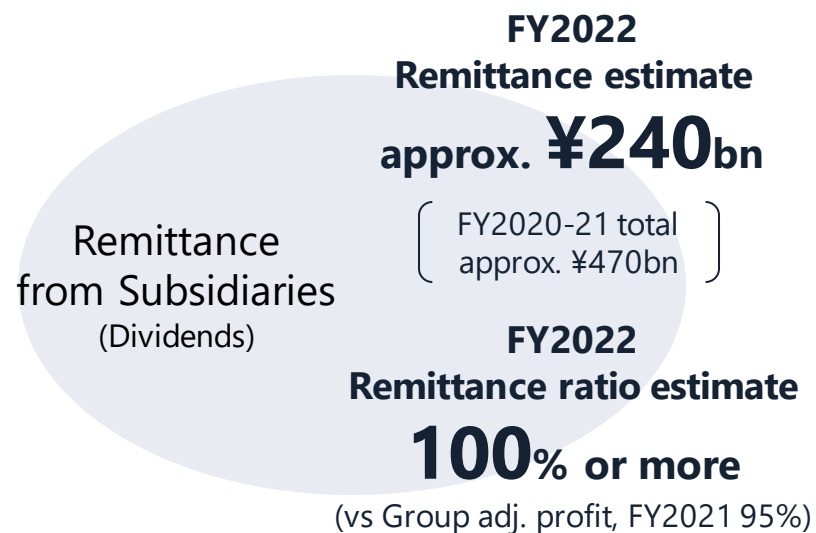
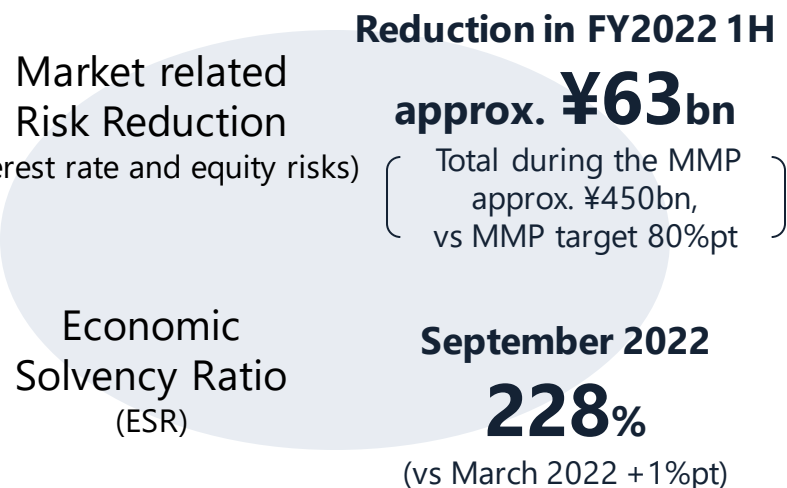
Key KPIs of the Medium-Term Management Plan

Capital Circulation Management Strategic Management Action

Risk Control

Capital/Cash Generation

Capital/Cash Allocation⁽¹⁾



High progress mainly
in interest rate risk reduction

Expected to secure
initial remittance amount

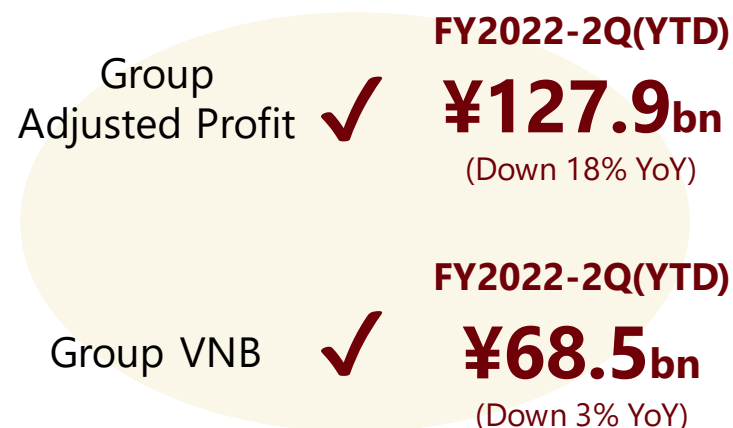
Good balance b/w SH payouts
and strategic Investments

1H Results / Market Evaluation

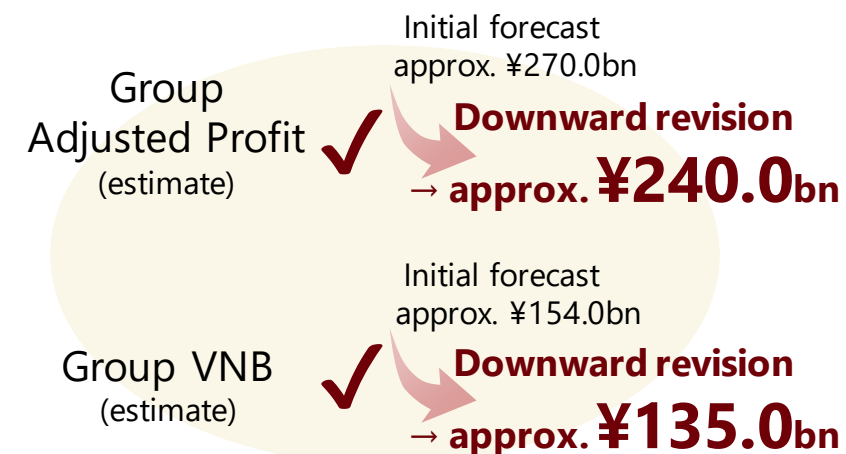
Market valuation⁽¹⁾



Annual Results



FY2022 Forecast



Keep superiority
in the relative TSR vs global peers

Challenges in new business at DL

Forecast revised downward

Market Related Risk Reduction and ESR

- Market-related risk reduction progressed steadily to 80% of the plan, and market factors also contributed significantly to reduce risk.
- ESR was almost flat as the impact from rise in domestic interest rates was offset by rise in overseas interest rates and decline in stock markets.

Market related Risk Reduction

FY2022 2Q(YTD) **approx. ¥63.0bn** risk reduction during the current MMP **approx. ¥450bn**

Current MMP risk reduction target (Interest rate & equity risk ¥560bn) **Progress 80%**

Interest rate & equity risk amount (before diversification effect)

March 2022
¥2.4tn

Interest rate risk down approx. ¥40bn

Equity risk Down approx. ¥23bn

Market factors, etc. (incl. changes in group companies) down approx. ¥210bn

September 2022
¥2.1tn

DL Risk Reduction approx. **¥63bn**

Interest risk

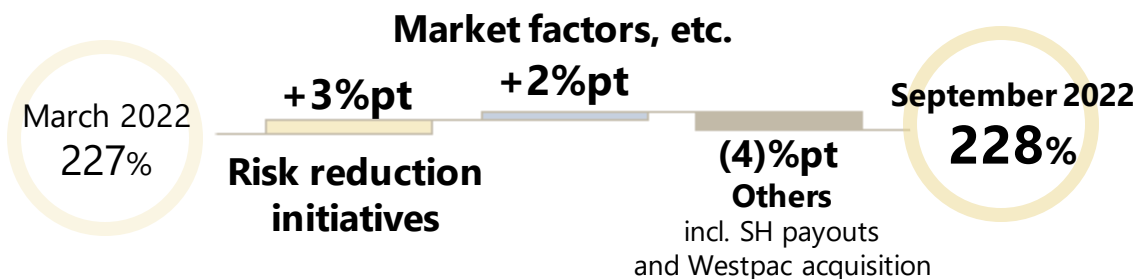
Ultra long JGBs purchase: approx. ¥490bn (30-year JGB equivalent)

Equity risk

Sale of equities: approx. ¥110bn (market value based on initial plan)

Economic Solvency Ratio (ESR)

September 2022 **228%** vs March 2022 + 1%pt



Capital
¥8.1tn

Integrated Risk
¥3.5tn

slight decrease

approx.
¥8.0tn

approx.
¥3.5tn

slight decrease



Outlook for Group Risk Profile Transformation

- The share of market-related risk steadily decreased, and the group risk profile improved more than initially expected.
- Sensitivity to both domestic interest rates and domestic stock market declined. Risk resistance to financial market fluctuations has improved.

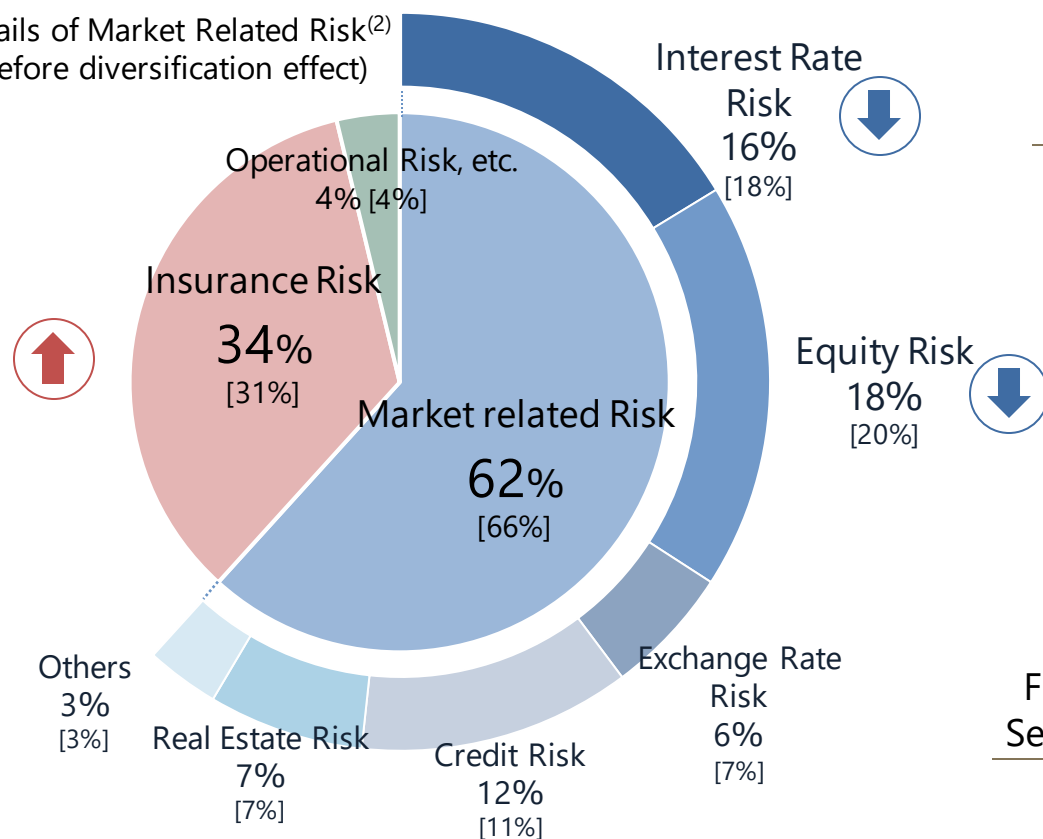
Group Integrated Risk Breakdown⁽¹⁾

as of end of September 2022

before diversification effect b/w insurance and market risk

[Figure in parentheses : as of end of March 2022]

Details of Market Related Risk⁽²⁾
(before diversification effect)



Market related Risk

at the start of MMP

Mar-21

Mar-22

Sep-22

68%

66%

62%

[Outlook of FY2023]
(The end of March FY2023)
estimated as of May 2022

Market related Risk
approx. 61%
Insurance Risk
approx. 35%

Risk Profile change

Insurance Risk

29%

31%

34%

50bp decrease
in domestic
interest rate

30% decrease
in domestic
equity market

50bp decrease
in foreign
interest rate

10% decrease in
exchange rate

September 2022
228%

March 2022
227%

(25)%

(19)%

(5)%

(5)%

(1)%

+ 7%

+ 5%

+ 1%

Financial Market
Sensitivities of ESR

(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 effect.



Group Adjusted Profit

- Group Adj. Profit decreased YoY due to COVID-19 related payments at DL and the impacts from rising overseas interest rates on DFL and PLC.
- The FY2022 forecast was revised downward by ¥30 bn from the initial forecast, is expected to around ¥240 bn.

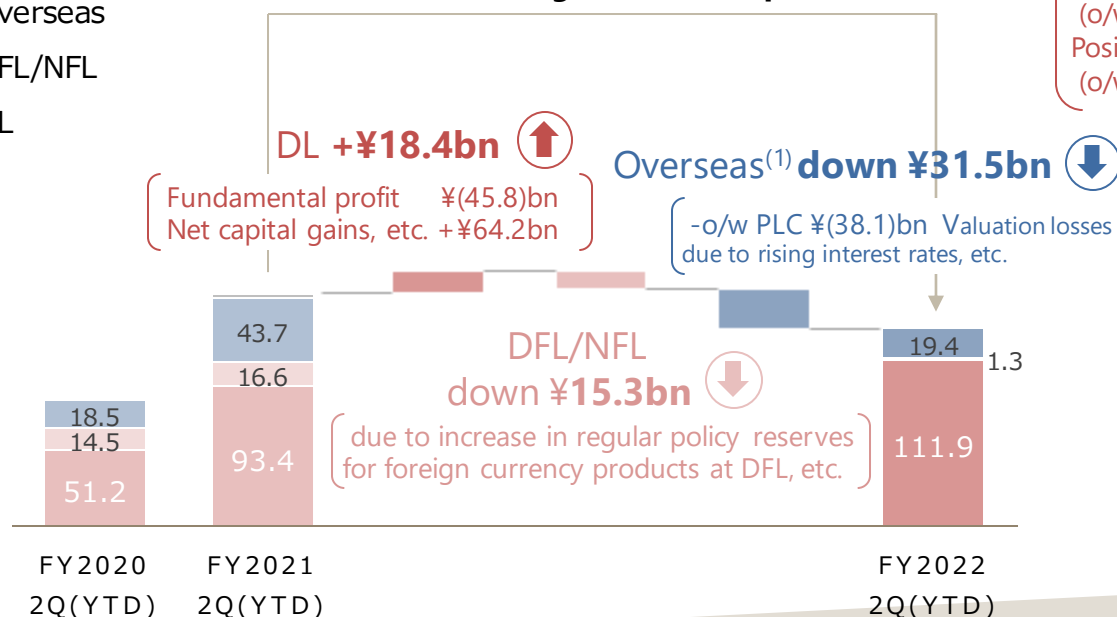
Group Adjusted Profit

FY2022 2Q(YTD) **¥127.9bn** (YoY change) down 18%pt

FY2022 2Q(YTD) Result

- Others
- Overseas
- DFL/NFL
- DL

down ¥28.3bn
(YoY change) down 18%pt



FY2022 Forecast and Changes from Initial Forecast

FY2022 outlook (Initial Forecast) **approx. ¥270bn**
 (Revised Forecast) **approx. ¥240bn**

(DL) Fundamental profit **down ¥60.0bn**

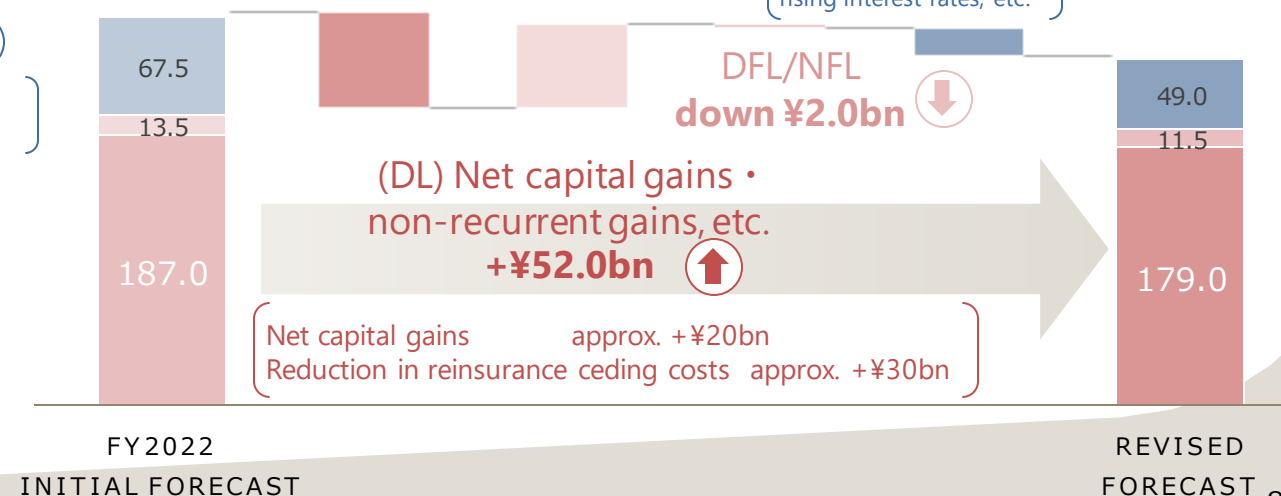
Gains from core insurance activities approx. ¥(40.0)bn
 (o/w impact of COVID-19 related claims approx. ¥(60.0)bn)
 Positive spread approx. ¥(17.0)bn
 (o/w increased currency hedging costs approx. ¥(40.0)bn)

PLC **down ¥18.5bn**
 (Valuation losses due to rising interest rates, etc.)

Adjusted ROE estimate

6.8%

DL
(non-consolidated)
8.4%



(1) incl. profits and losses in asset management, DLRe and HD, etc.

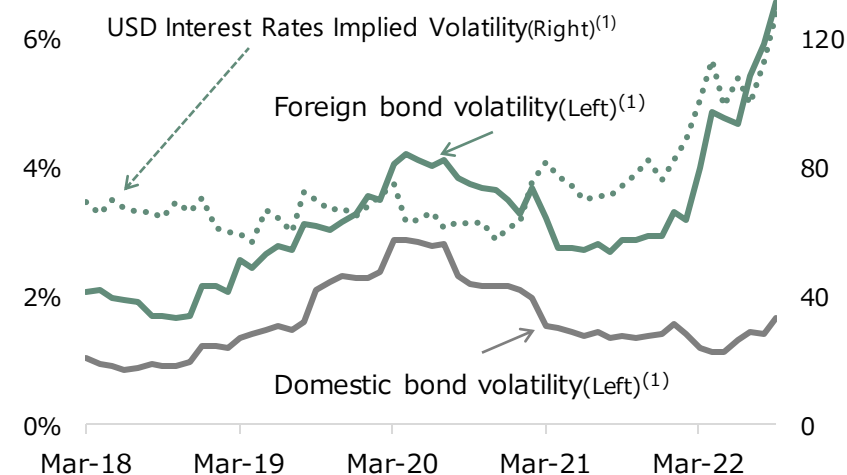
Foreign-Currency Hedged Bond Investment Policy (DL)

- While DL has reduced the exposure since previous 2H, the extent and pace of overseas interest rate rises was exceeded our expectation.
- Based on the risk-return of foreign hedged bond, DL reviewed the investment process, including stricter asset allocation and risk management.
- DL will basically continue to reduce the foreign hedged bond exposure based on future interest rates outlook, liquidity and other factors.

Changes in the External Environment

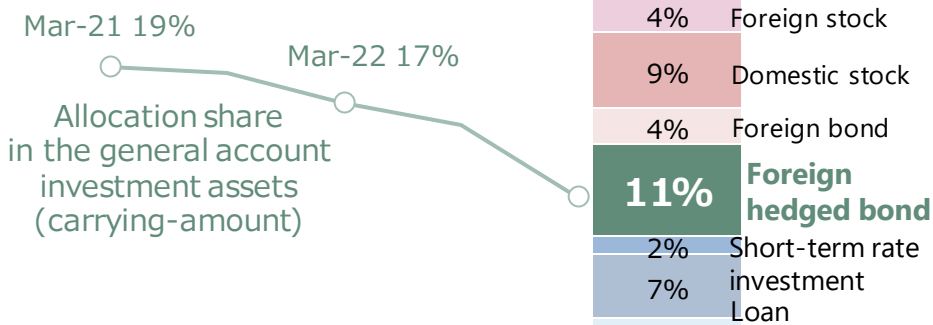
- ✓ Overseas interest rates began to rise in previous 2H due to rising inflation caused by Russia-Ukraine.
- ✓ Especially since April, the extent and pace of interest rate rises, mainly in U.S, has been unprecedented and greatly exceed our expectation.

Foreign bond volatility rises sharply



Foreign-Currency Hedged bond

Sep-22 approx. **¥3.7tri⁽²⁾**



- ✓ DL has reduced the foreign hedged bond exposure since 2H of FY2021. (Reduced approx. ¥3.1tri vs Mar-21)⁽³⁾
- ✓ However, the pace of interest rates rise was faster than expected, leading to higher hedging costs and unrealized losses.

Materialization of overseas interest rate fluctuation risk

Foreign-Currency Hedged Bond Investment Management Policy

- Accelerate reduction of interest rate risk by accumulating yen bonds, etc., with basic policy of reducing foreign hedged bond.
- Implement stricter asset allocation that reflects changes of expected return and risk in short-term, and takes into account the tail risk of the entire portfolio, etc.
- Strengthen monitoring by the risk management department, etc. and build an effective check-and-balance function.

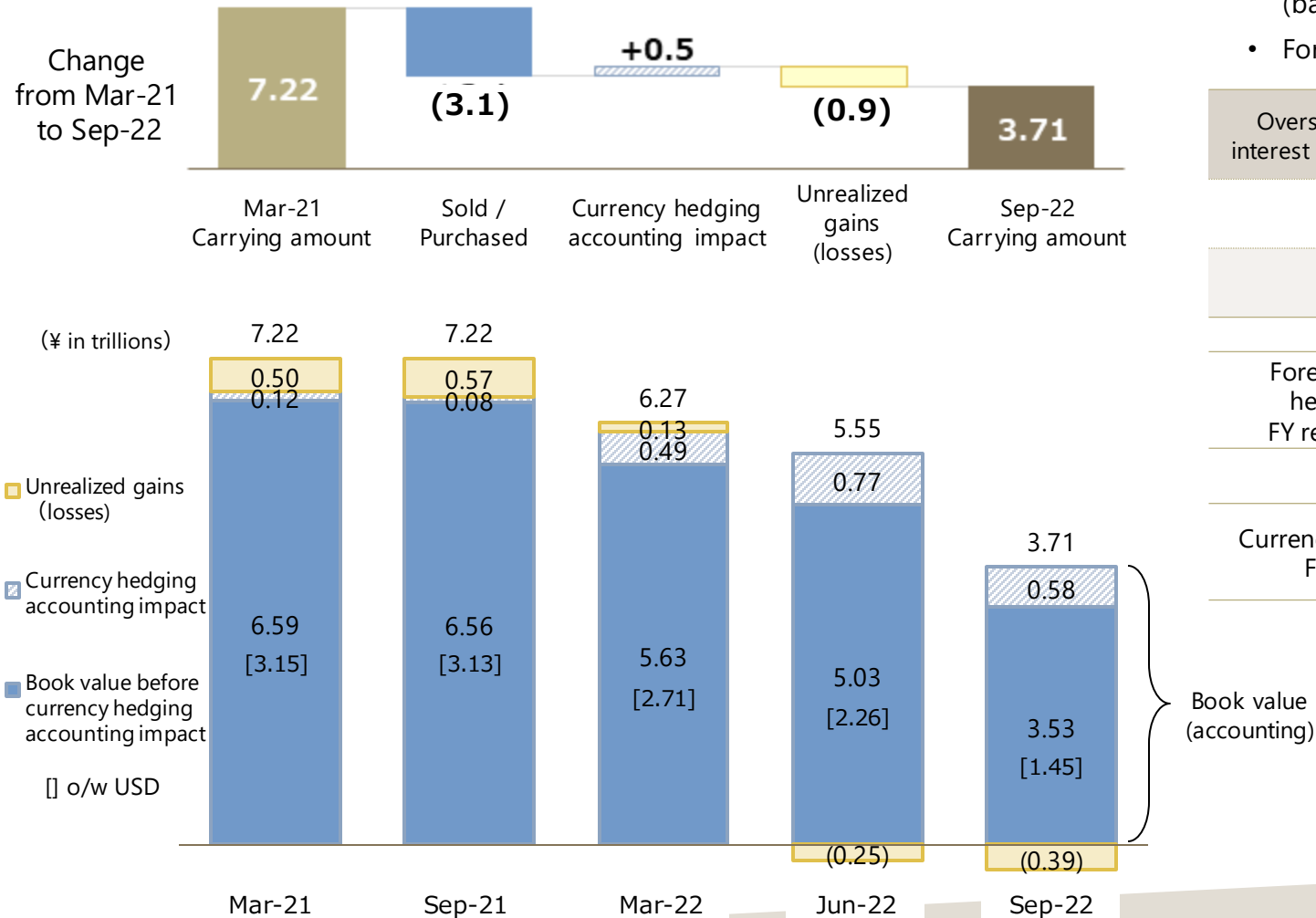
Reinforcement of a management that enables prompt risk control in the sharp market deterioration

(1) Company calculated by Volatility: past 1 year monthly (annualized), Domestic bond Index : Nomura BPI, Foreign bond : Global Aggregate, USD implied volatility : USD swaption

(2) Carrying-amount (3) Book value before currency hedging accounting impact, 3.5 trillion as of September 2022

[Reference] Foreign-Currency Hedged Bond Investment (DL)

Breakdown of Foreign-Currency Hedged Bond (Carrying amount)⁽¹⁾



FY2022 Currency hedging cost estimate

- Currency forward contract will be rolled every 3 to 6 months (based on currency type, rolling amount and timing)
- Foreign-currency hedged bond exposure is expected to be reduced further in 2H.

Overseas short-term interest rates assumption	as of Mar-22 (initial budget)	as of Jun-22 (end of 1Q)	as of Sep-22 (current)
USD	2.6%	3.5%	4.5-5.5%
EUR	(0.0%)	0.5%	2.5-3.0%

Foreign-currency hedged bond FY reduction plan	approx. ¥600bn	approx. >¥1.0tn	in addition to ¥2.1tn in 1H further reduction is expected
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Currency hedging cost FY estimate	approx. ¥50bn	approx. ¥90bn	approx. ¥90bn (no change from June)
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(1) Incl. amount of foreign-currency full-hedged bonds using currency swap (Mar-21: ¥207.8bn, Mar-22: ¥208.6bn, Sep-22: 253.2bn)

Sales Performance (Group Value of New Business)

- While sales of DFL products and overseas PLC were strong, sales of DL products and NFL were sluggish.
- FY2022 forecast was revised downward by ¥19 bn from the initial forecast, and is expected to be around ¥135 bn.

Group VNB

FY2022 2Q(YTD) **¥68.5bn** (YoY change /excl. exchange rate impact)
Down 3%/ Down 12%

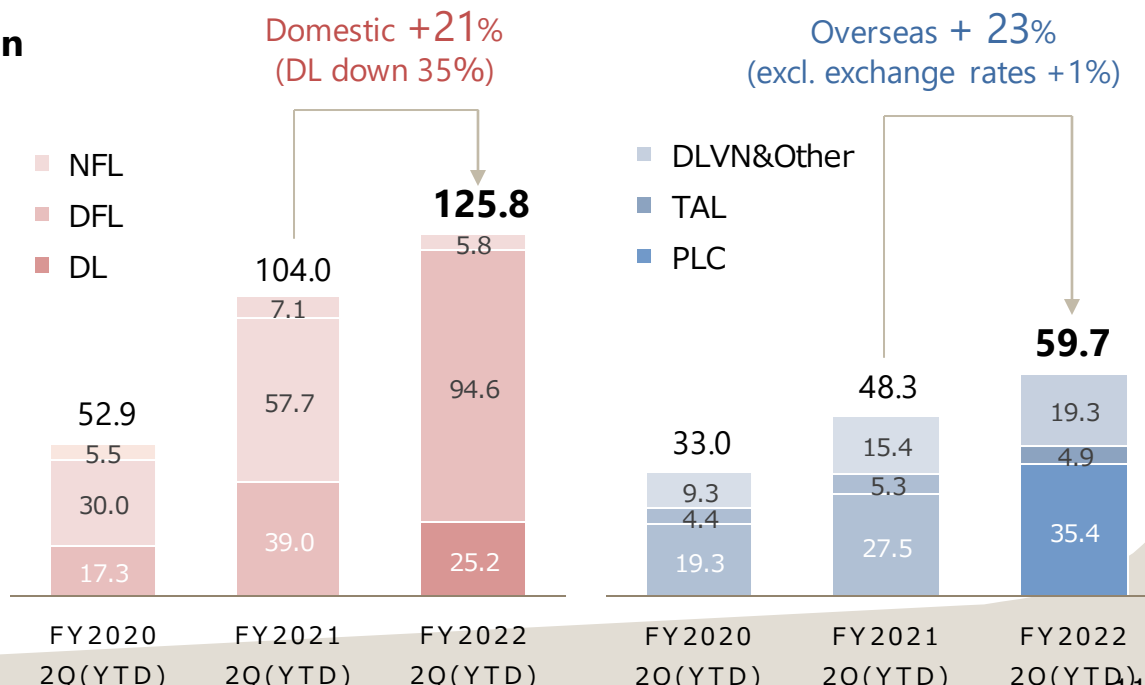
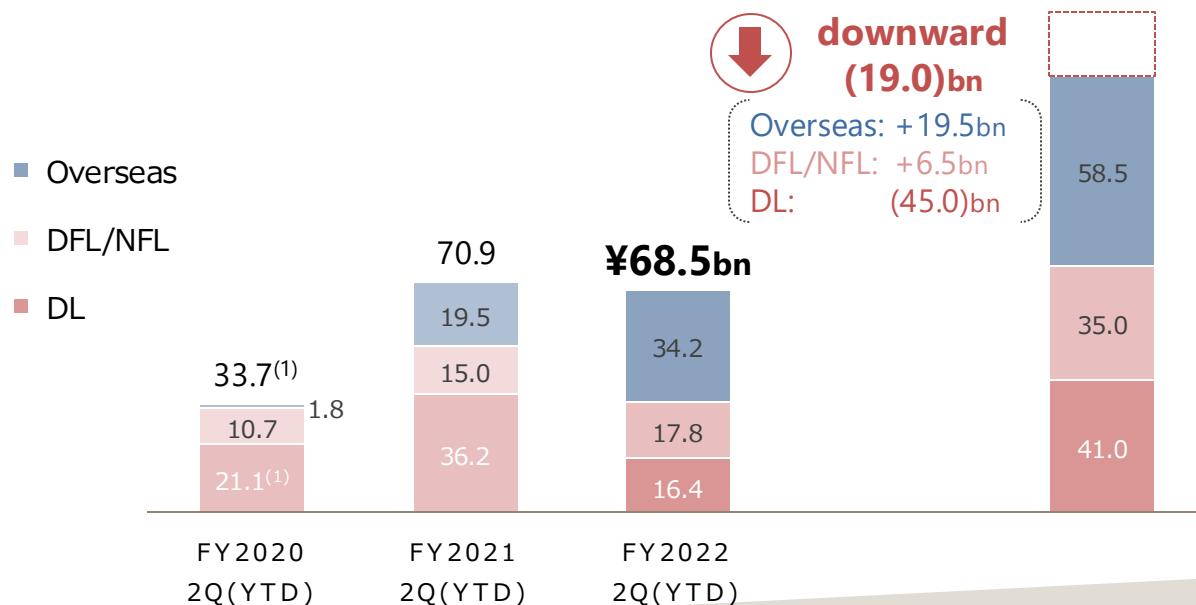
New business annualized net premiums (ANP)

¥185.5bn +22% YoY
(excl. exchange rate impact +14%)

New business margins

	FY2020 2Q(YTD)	FY2021 2Q(YTD)	FY2022 2Q(YTD)	FY2022 forecast
DL	2.4% ⁽¹⁾	3.3%	2.4%	[Revised] 2.1%
DFL/NFL	3.5% ⁽¹⁾	4.3%		

154.0 → **approx. ¥135.0bn**

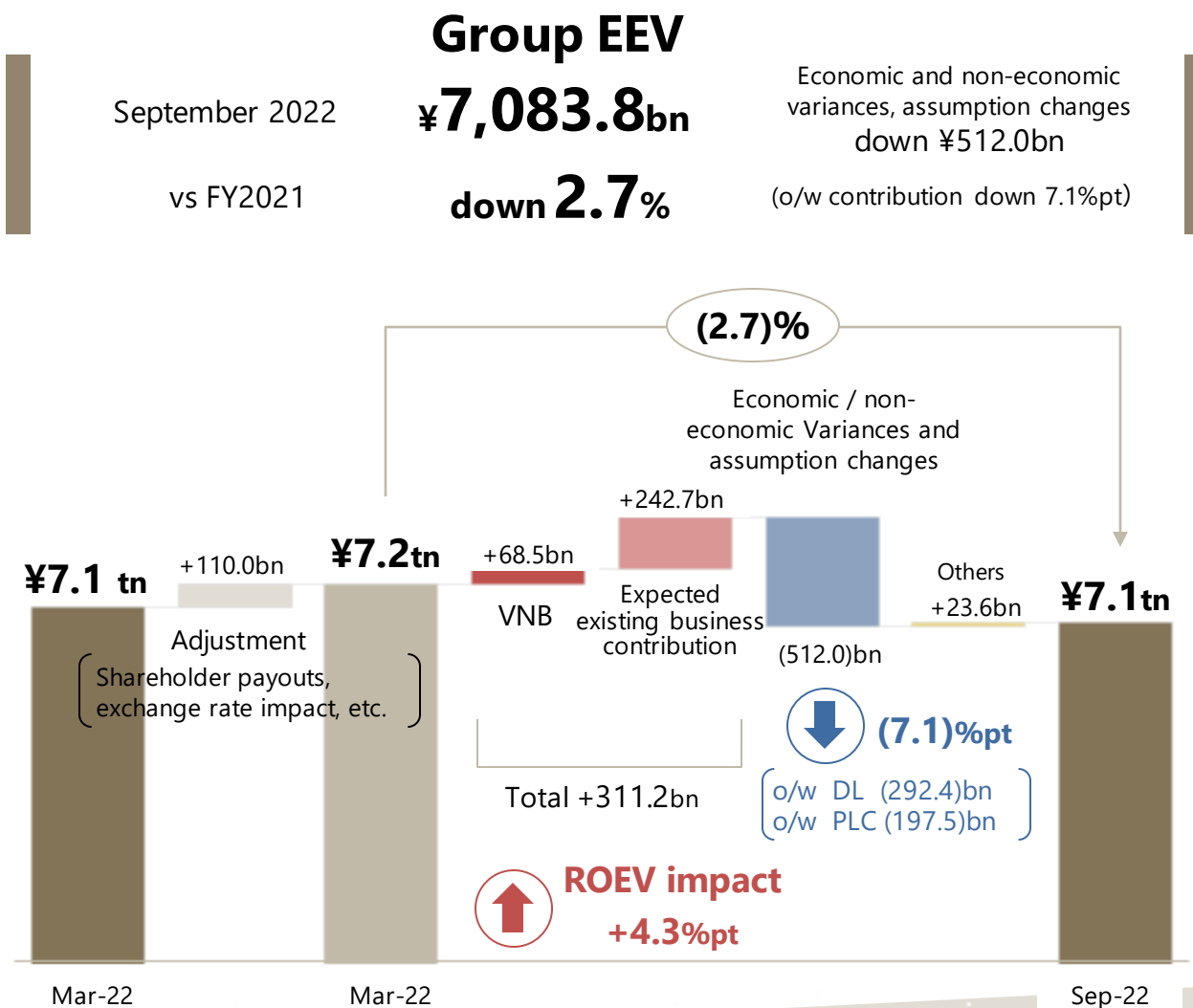


(1) In light of the extraordinary circumstances of the COVID-19, the guaranteed life plan designers' salary and a portion of sales related fixed expenses (approx.¥50bn) were excluded from VNB calculation and deducted directly from EEV adj. net worth for DL.

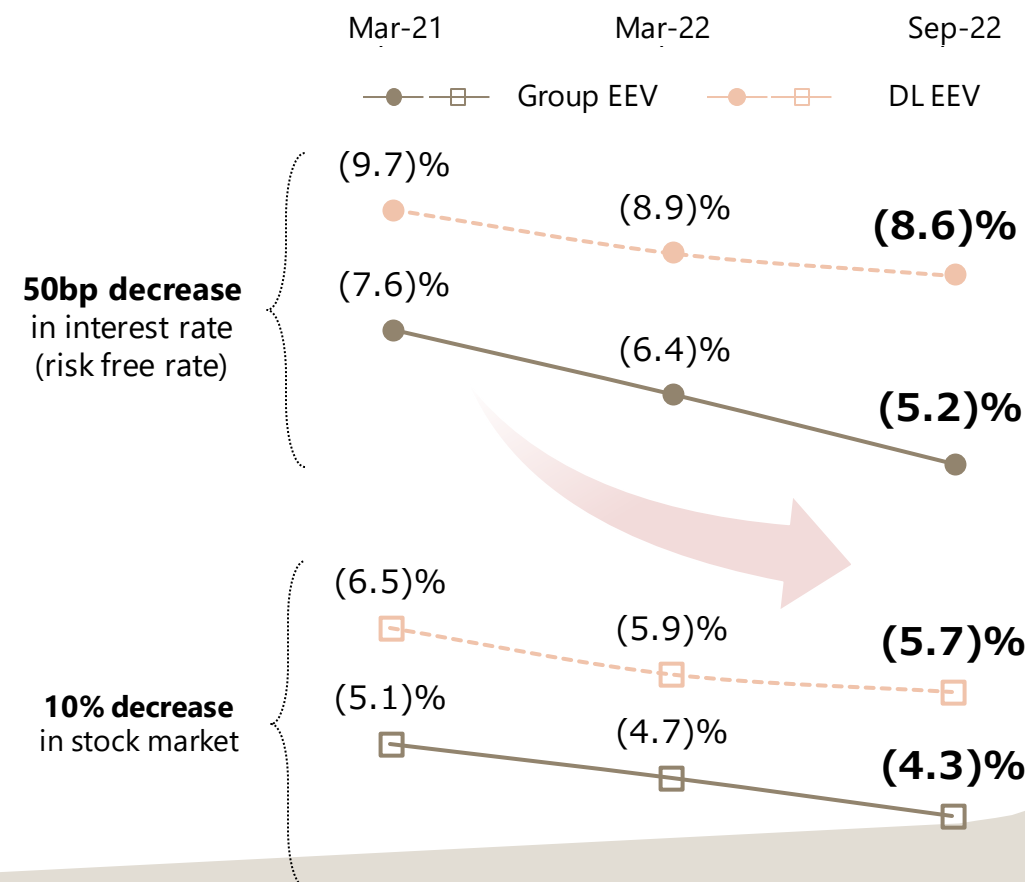


Economic Value (Group EEV)

- EEV was affected by the differences b/w assumptions and results derived from financial market-volatility especially in interest rates.
- The EEV sensitivity has declined steadily, increasing the stability of corporate value.



EV Sensitivity to Financial Market Fluctuations



Shareholder Payout Policy and Actual Payouts

- There is no change in the plan to execute share buybacks up to ¥120 bn by the end of March 2023 as announced.
- Despite the downward revision of Group Adj. Profit, the dividend per share for FY2022 remains at the initial forecast of 86 yen.

Shareholder Payout Policy

Considering
flexible additional
payouts

Rough guide for
total payout ratio
Mid-term avg. of **50%**

[Image on transition of
total payout ratio]

Strategical in scale and timing

Considerations for additional payout

ESR Level
Status of market risk and
sensitivity reduction
Cash position of holding company
Group Financial Leverage
Existence of strategic
investment opportunities
Our stock price, etc.

[Image of Dividend Payout Ratio]

Stable Dividends
Based on Profit

[Dividend Payout Ratio]

30% or more each FY

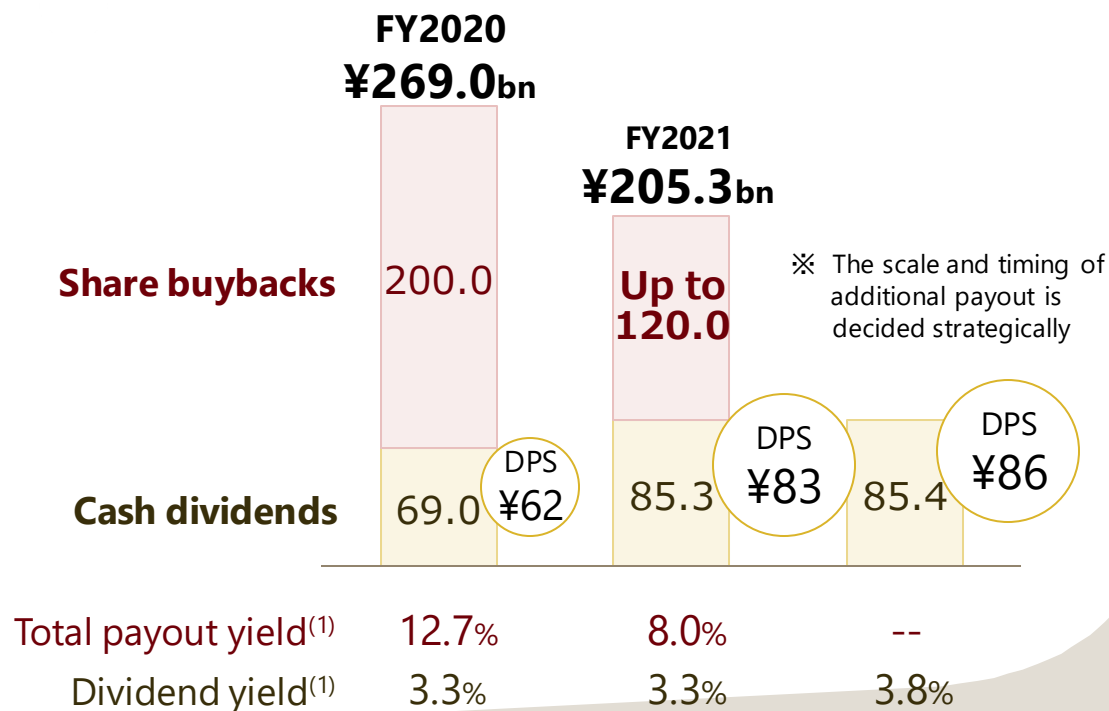
- Avg. of Group adjusted profit for past 3 years
- Basically no reduction of dividend per share

[Policy on cancellation of treasury stock]

The treasury stock is expected to be cancelled at an appropriate timing unless it is held for any specific reason.

Shareholder Payouts since Mar 2021 in current MMP

Total Shareholder Payouts approx. ¥470bn

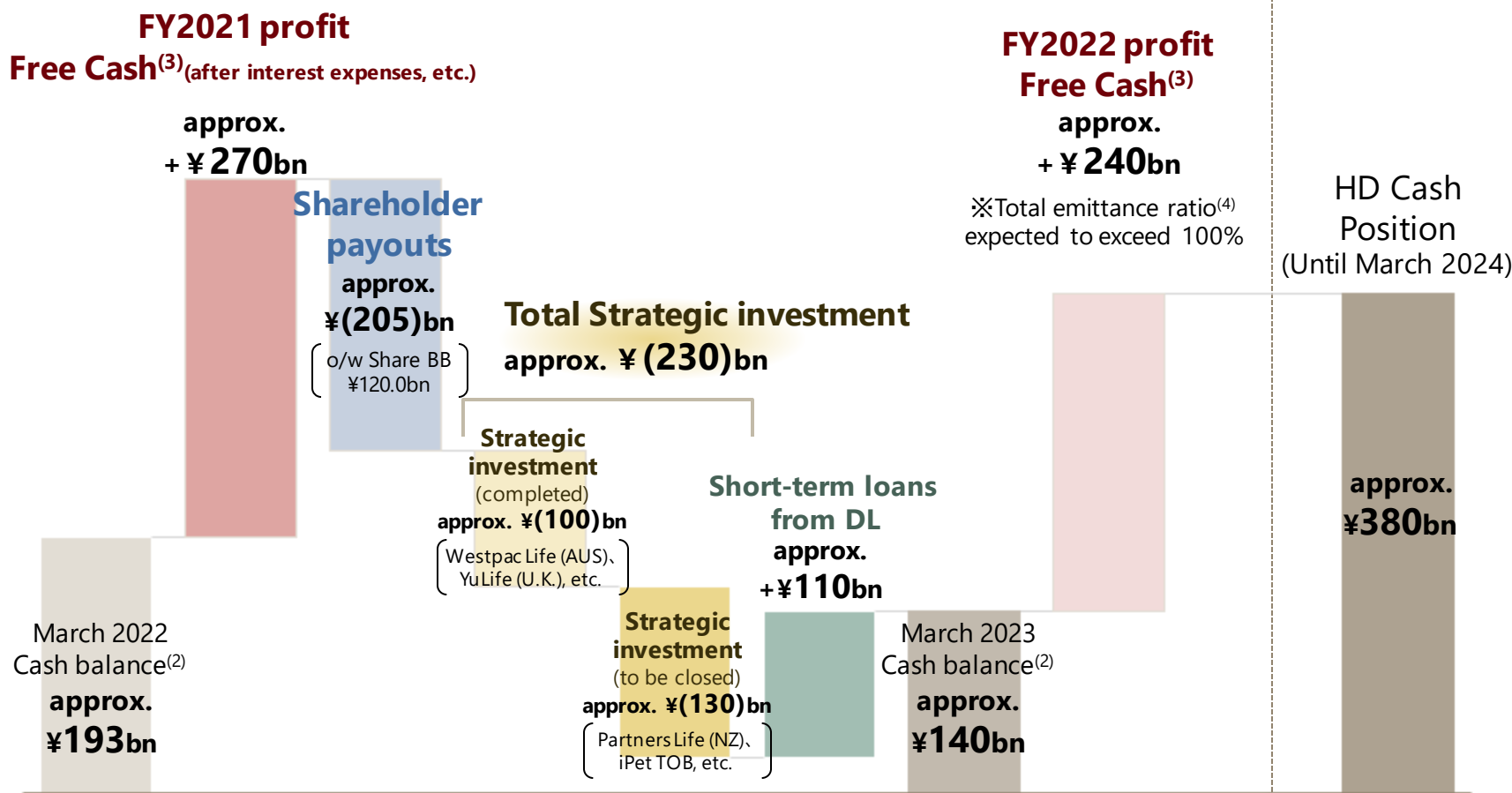


(1) Calculated based on the stock price and total number of issued shares for each period (Mar-2021, Mar-2022 and Sep-2022)

Outlook for Cash Positions at Holding Company (HD)

- Short-term borrowing from DL to secure a cash buffer in preparation for cash-out associated with strategic investments.
- Based on discussions with group companies, we expect to generate free cash with a remittance rate of 100% or more in FY2022.

Change of HD Cash Positions ⁽¹⁾⁽²⁾

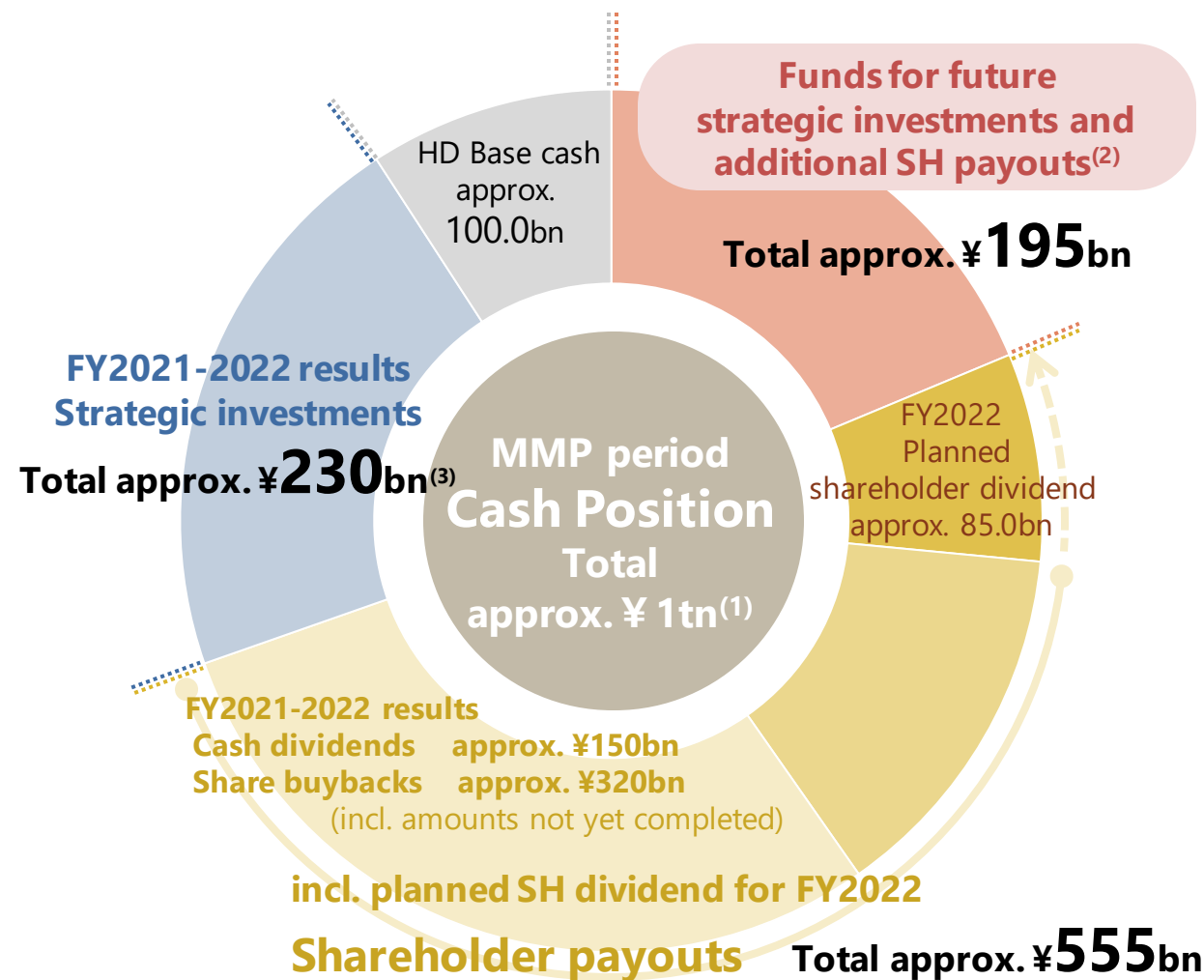


HD Cash Position Basic Approach to Use of Funds

- To secure the liquidity at HD required capital expenditure needs
 - [Base cash needs]
 - Under the strict capital management, approx. ¥100bn is a target to secure the certain liquidity for subsidiaries.
- Repayment of short-term loans from DL
- [Shareholder payouts] Sources of cash dividends (FY2022 dividend payment)
- [Shareholder payouts] Consideration of flexible additional payouts and/or
- [Strategic investments] Selective investment in high-growth and capital-efficient businesses

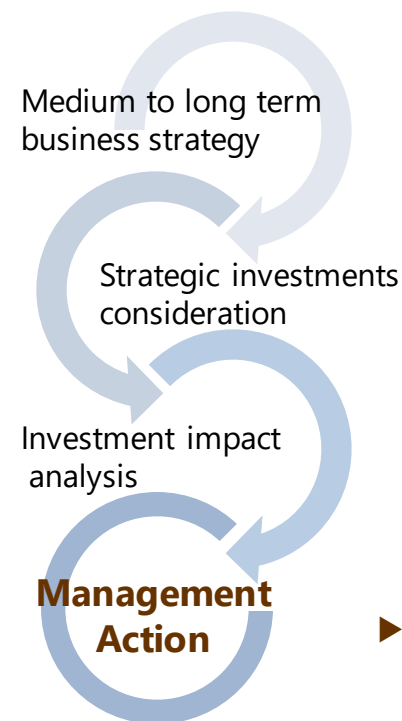
Balancing Shareholder Payouts and Strategic Investments

- Strategic investment will be conducted selectively in projects that will lead to mid- to long-term improvement of corporate value under financial discipline that is conscious of cost of equity.
- Consider projects with high affinity that can expect synergies around existing businesses and in the digital innovation field.



Strategic investments in the Mid-term plan

[Focus (Basic)] Around Existing Businesses and Digital Innovation field



- ✓ Responding to changes in the business environment (change in customer needs and preferences, digitization)
- ✓ Improve business growth and capital efficiency (deepen and explore)
- ✓ Substitutability and time horizon with internal resources
- ✓ Affinity of existing businesses and corporate culture (synergy effect)
- ✓ Implementation of strict due diligence (risk recognition, profitability evaluation vs cost of capital)
- ✓ Comparison of investment effects with share buybacks

▶ Continue to explore opportunities that will lead to a higher corporate value over the medium to long term under strict financial discipline.



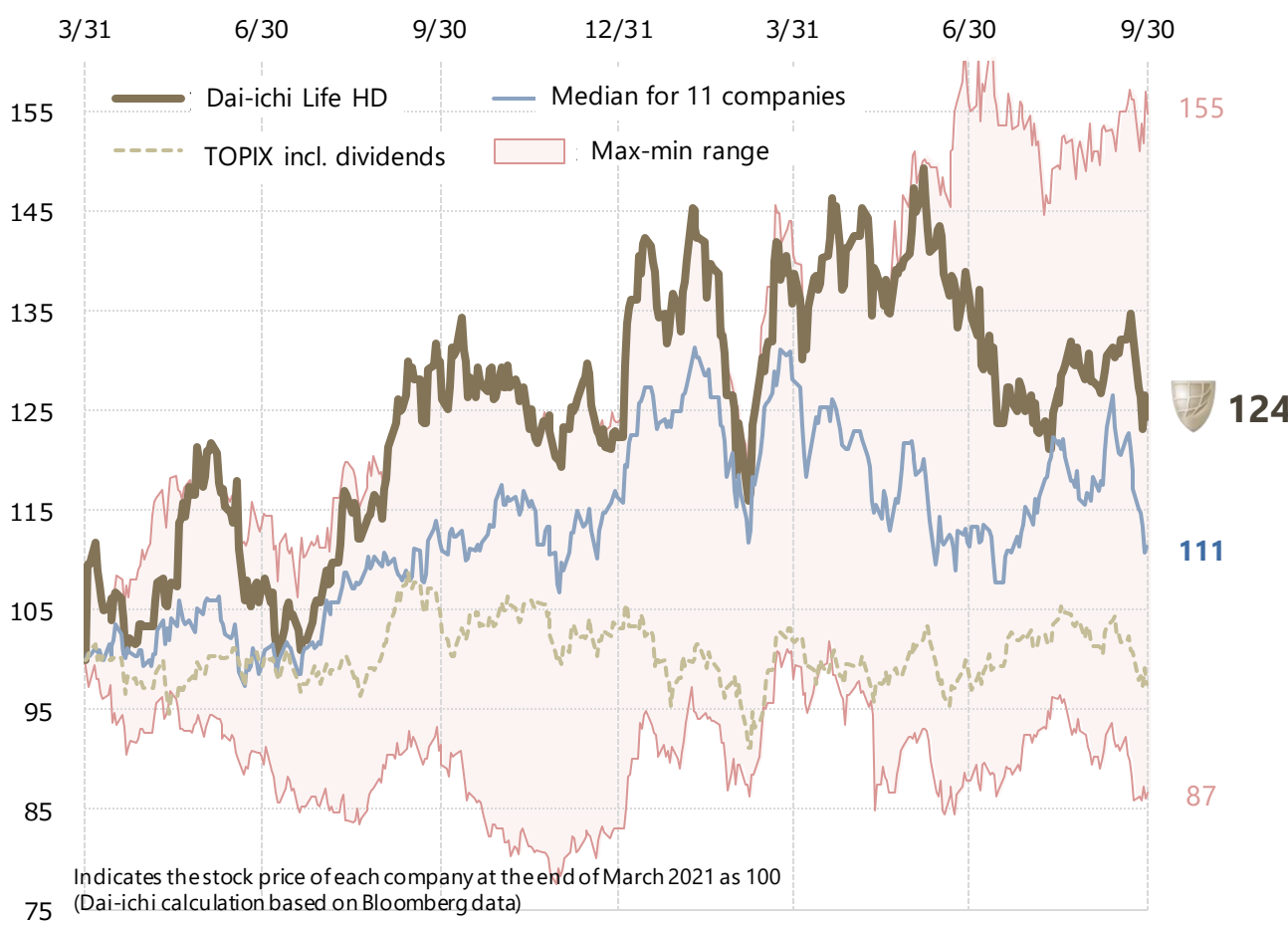
(1) In addition to changes in cash at intermediate holding companies, includes cash balances held to secure liquidity on hand at holding companies


(2) Including use for repayment of short-term loans from DL (3) Including the cost of making ipet a wholly owned subsidiary

Relative TSR and Our Stock Price β

- Relative TSR compared to other peers was the 4th at the end of Sep in the environment of domestic COVID-19 and rising overseas interest rates.
- Confirmed a gradual decline in our stock β vs. the market, although external environmental factors are also included.

TSR trends (from end-March 21 to end-September 22)

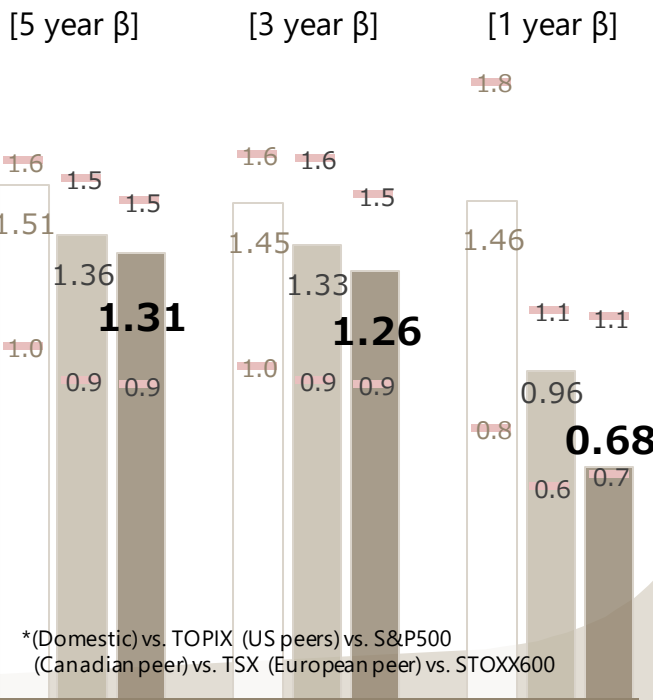


Relative TSR Ranking	
1	Domestic Comp. A
2	Domestic Comp. B
3	Domestic Comp. C
4	 Dai-ichi Life HD
5	Overseas Comp. D
6	Overseas Comp. E
7	Overseas Comp. F
8	Domestic Comp. G
9	Overseas Comp. H
10	Domestic Comp. I 社
11	Overseas Comp. J

Our stock price β (vs TOPIX, weekly)

(Company calculation based on Bloomberg data)

- DLHD β (as of September 30, 2022)
- DLHD β (as of April 1, 2022)
- DLHD β (as of April 1, 2021)
- 10 peers max & min β



(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.



[Reference] Key Indicators (KPIs) of the Group and Major Domestic Business Initiatives



	Group KPIs	Medium-Term (FY2023) Target Level ⁽¹⁾	Long-Term Direction ⁽¹⁾	Result/Forecast
	Capital Efficiency (Accounting Profit)	Adjusted ROE (Based on Adjusted Profit)	approx. 8% Expected cost of capital: reduced to 8% (currently self assessed at 10%)	approx. 9% (around FY2026) FY2022 outlook 6.8% (DL 8.4%)
	Capital Efficiency (Economic Value)	ROEV	Medium-Term Target: approx. average 8% (around FY2026)	1H Result (before annualized) (2.7)%
	Risk Profile Reform	Market Risk Reduction (Interest rate risk and equity risk vs March-21)	Risk Reduction -¥560bn (equivalent to approx. 20% of March-21 market risk) Additional Risk Reduction -¥260bn (Total of approx. ¥820bn from Mar-21)	approx. ¥450bn [progress rate vs 3Y target: 80%]
	Financial Soundness (Economic Value)	Economic Solvency Ratio	Maintain a stable level of 170% to 200% in the long-term Reduction of sensitivity to financial market	End of Sep 2022 228%
	Market valuation	Relative TSR Total share return	Build a Relative Advantage in comparison with 10 domestic and overseas competitors	End of Sep 2022 4th
	Profit Indicator	Adjusted Profit	Expected Range approx. ¥250bn to ¥280bn View of new business targets are set annually	FY2022 outlook Adj. Profit approx. ¥240bn VNB approx. ¥135bn



[Mar-2022 Result]			
Improve Customer Satisfaction	Net Promoter Score (NPS®) Number of Customers	NPS® for Dai-ichi Life: Total No. of Customers:	Top level in Japan approx. 12mn (by FY2026)
Improve productivity	Fixed Cost Reduction Optimize Talent Placement	Reduction (Dai-ichi Life): Strategic Personnel Shift:	approx. -¥30bn around 3,100 ppl. (by FY2026)
			NPS (slightly increased from Mar-2021) Middle-level No. of Customers approx. 11.5mn (in addition, 200 thousands costumers increased through Dai-ichi Smart)
			Fixed Cost Increased temporarily due to upfront investment Personnel Shift 707ppl (incl. natural decrease)

(1) Assuming the economic environment and other factors will not deviate significantly from the current (end of March 2021) level (2) NPS® is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

Domestic/Overseas Insurance Business Initiatives

- 1. Expand and Explore Business Portfolio**
- 2. Create 4 Experiential Values**
- 3. COVID-19-related Benefit Payment**

Expand and Explore Business Portfolios to Address Social Issues and Changes in the Business Environment



Dai-ichi Life
Holdings

Social Issues (Domestic)

Super-Aging Society

Maintain the Pension
System

Soaring Medical
Expenses

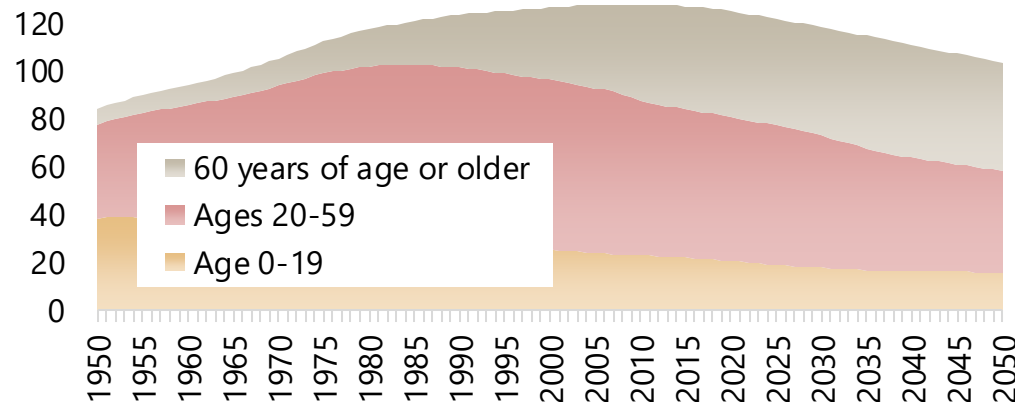
Accelerated Decline
in Birthrate

Increase of Nursing
Care Burden

Depopulation in
Regional Areas

Demographics in Japan ⁽¹⁾

(Millions of people)

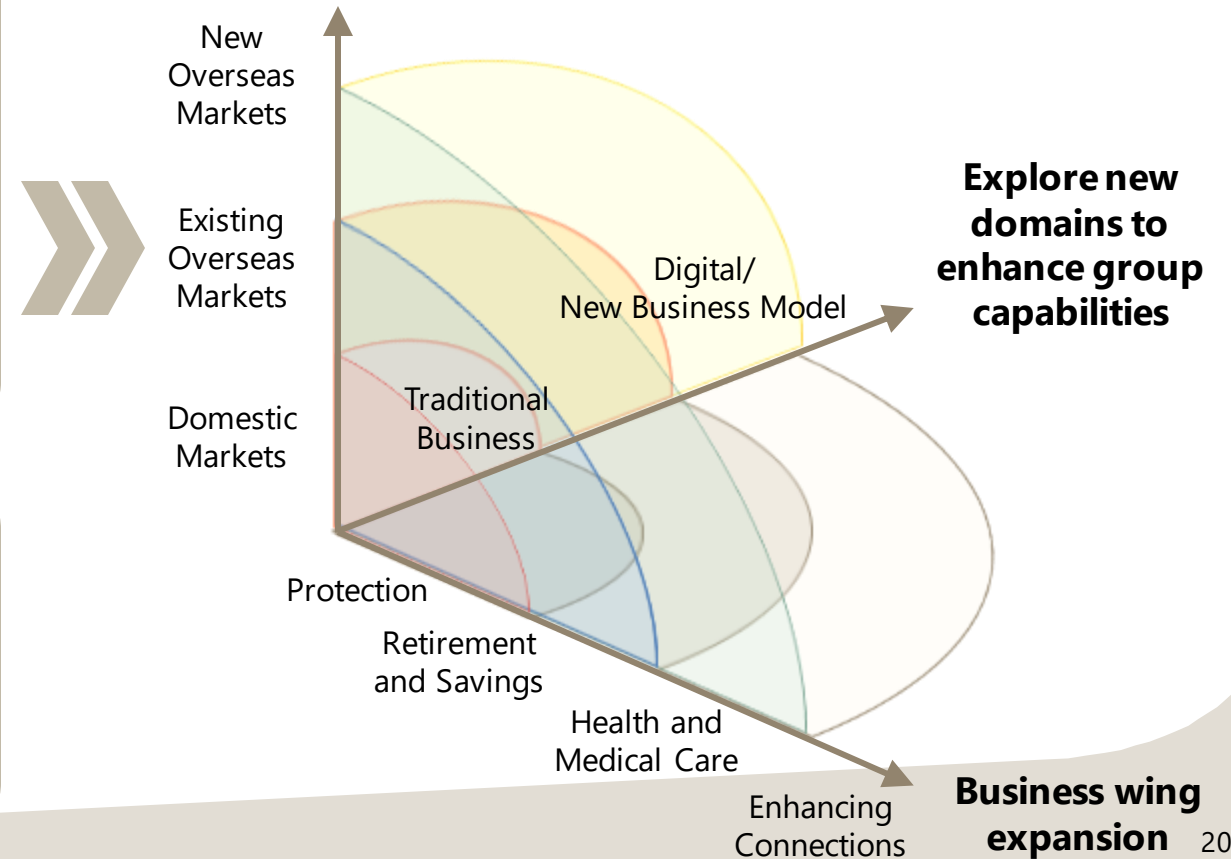


Changes in Business Environment

- ✓ Acceleration of digitalization
- ✓ Narrowing the information gap with customers
- ✓ Growing interest in health maintenance/prevention of illness
- ✓ Diversification and segmentation of values

To achieve sustainable growth,
promote expanding and exploring
business portfolio

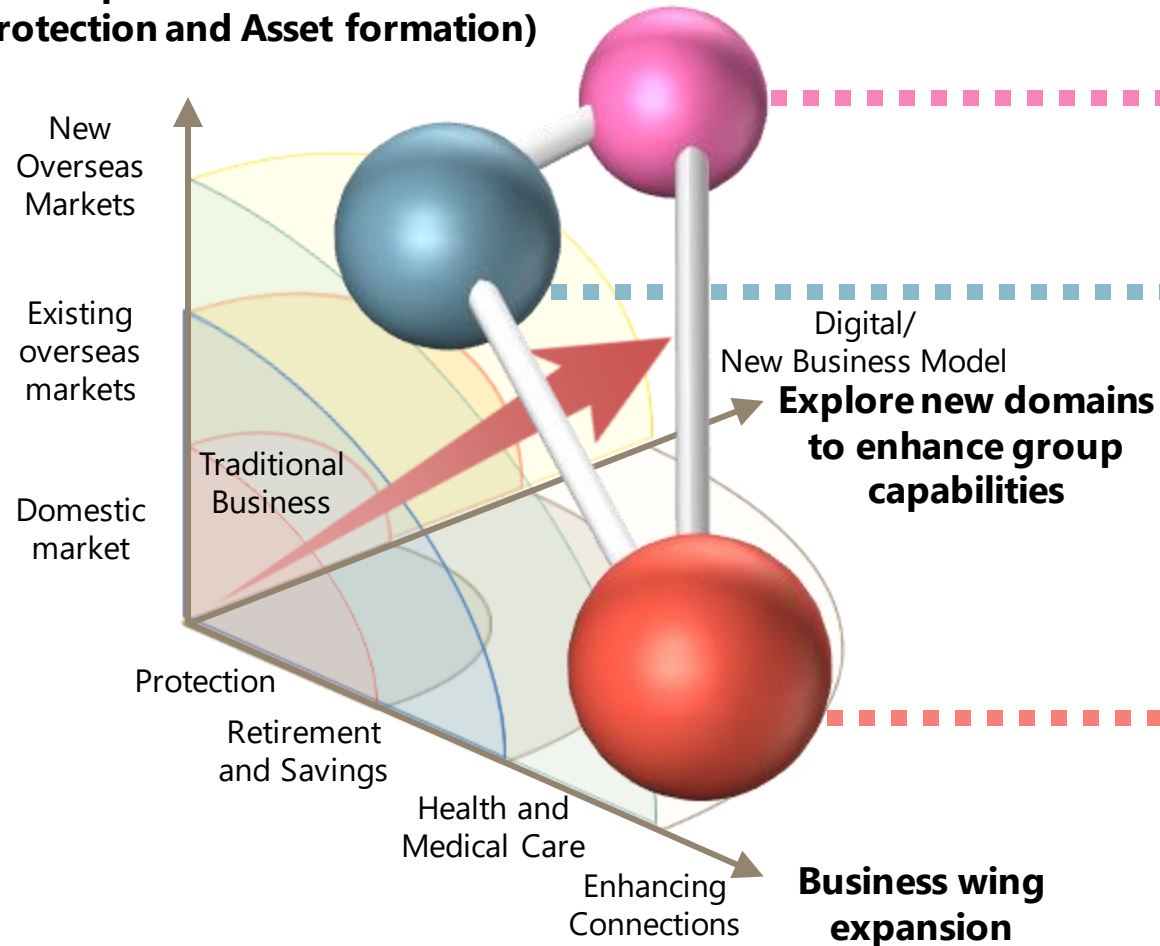
Expand core business
(Protection and Asset formation)



(1) Prepared by us from United Nations, Department of Economic and Social Affairs, Population Division (2022)

Initiatives in FY2022 to Expand and Explore Business Portfolio

Expand core business (Protection and Asset formation)



- ✓ In overseas markets, where high growth potential is expected, investment and acquisitions have been executed toward companies with digital strengths

(July) Invested in YuLife, UK



(August) Decided to acquire Partners Life, in New Zealand



- ✓ In the domestic market, expanded business wings into new domains

(November) Commenced TOB to acquire ipet Holdings, Inc. (ipet)

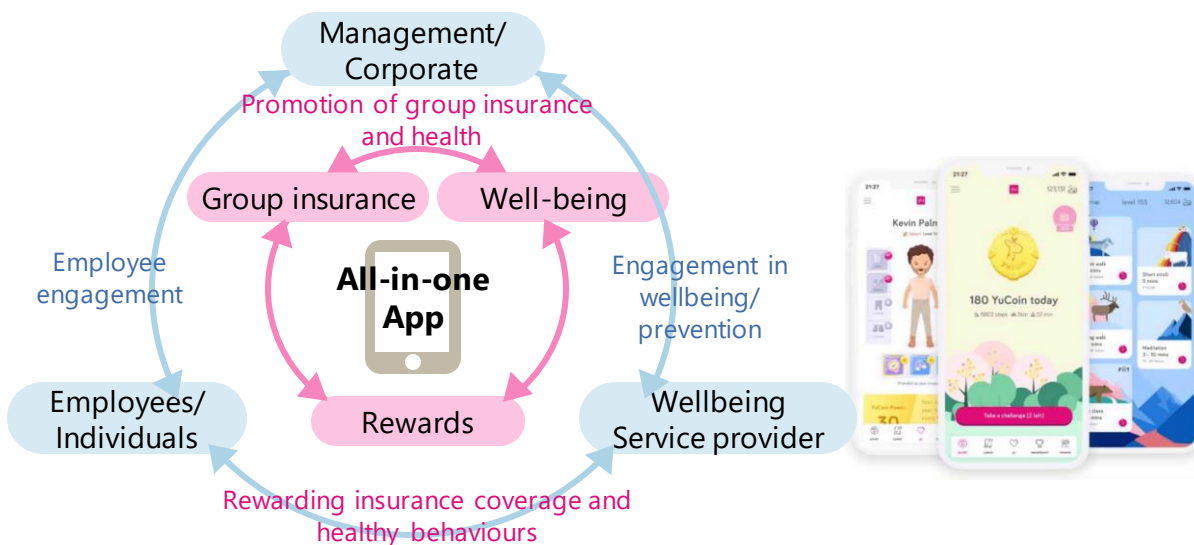


Investment and Acquisitions in Overseas (FY2022)

Investment in YuLife, tech-driven group insurance and well-being company (July 2022)



- ✓ YuLife was established in the UK in 2016 as a tech-driven financial services company on a mission to inspire life through group insurance. In Oct 2022, they launched in the United States
- ✓ Balancing market share and profitability growth in the UK's employee benefits market, YuLife provides group insurance and incentivizes employee well-being with rewards through an innovative app



- ✓ We will leverage YuLife's advanced business models and expertise to upgrade the businesses of domestic and overseas our group companies.

Acquisition of Partners Life in New Zealand (Concluded a purchase agreement in August 2022)



- ✓ Partners Life is an emerging life insurance company in New Zealand, which was founded in 2010, and has grown to be the second largest life insurer in the market
- ✓ Partners Life has established an unparalleled reputation with the Independent Financial Advisers ("IFAs") through simple and innovative products and outstanding advisor support capabilities

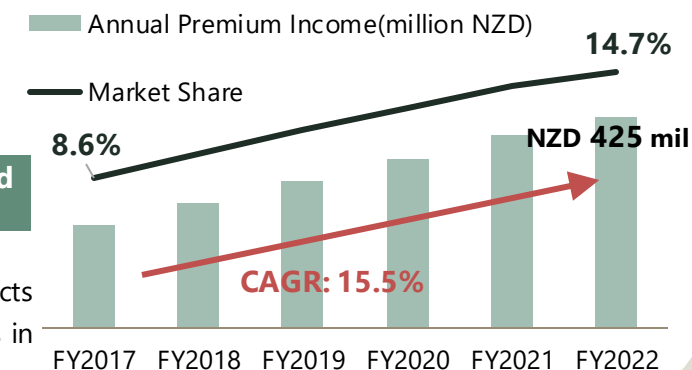
"Legacy-less" and "Capital-light" Strategy

- Ensuring mobility and efficiency through cloud-based system and thorough outsourcing
- Ceding a majority of new policies and controlling risk

Capability of Product Development and Customer/Adviser Support

- Obtained top rank from independent ratings agency across all flagship products
- Maintains top-level external evaluations in most major operations such as digital underwriting

Annual Premium Income and Market Share



- ✓ We will learn and acquire business capabilities such as digital and legacy-less strategy of Partners Life, and pursue future synergies within the Group

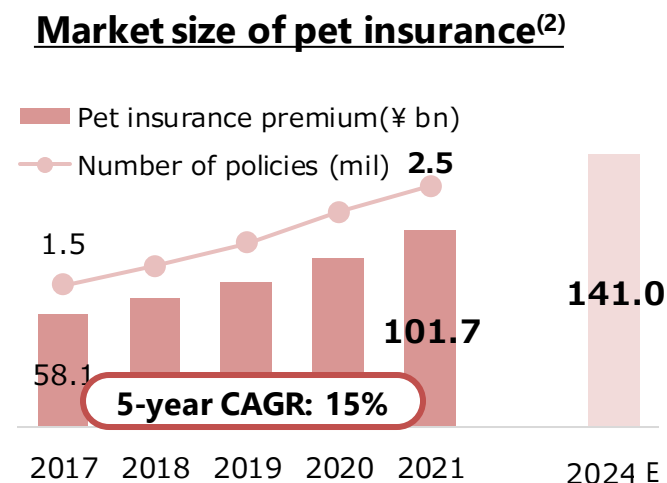
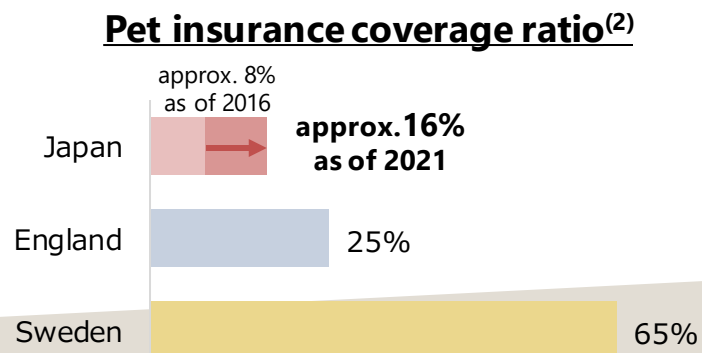
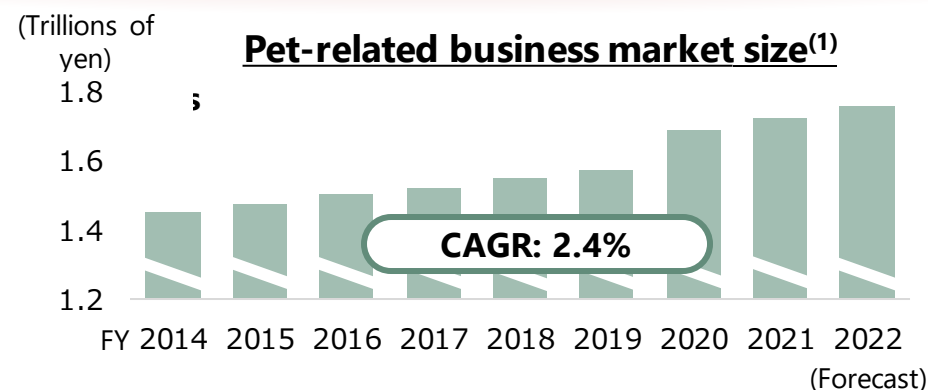
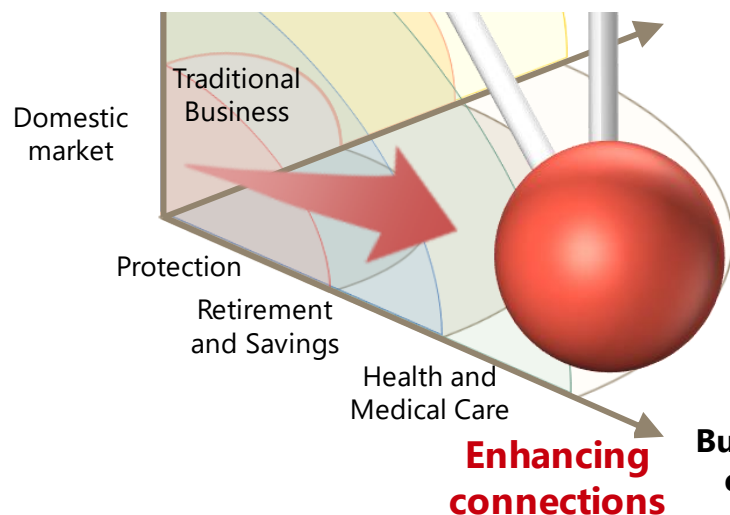
Efforts to Expand Domestic Business Portfolio (FY2022)

Decided to commence TOB to acquire ipet (November 2022)



- ✓ **Pets provide a great deal of pleasure to owners, delivering well-being to customers, and improving their QOL.**

» **As a new initiative in "Enhancing connections" domain under CX design strategy, we expand business wings to pet insurance which is a rare high-growth domestic protection market**



(1) Yano Research Institute Ltd. "Research for Pet Business_2020, 2021, 2022" published on Feb 10 2020, Feb 8 2021, Aug 30 2022

(2) ipet disclosure materials

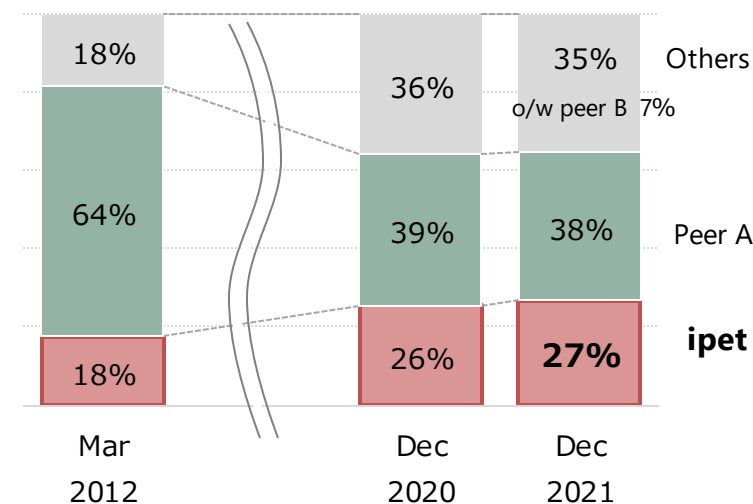
- ✓ ipet is the second largest company in the high-growth pet insurance market

Corporate Profile



Number of employees ⁽¹⁾	533
Total assets ⁽¹⁾	¥22.3bn
Net assets ⁽¹⁾	¥5bn
Ordinary profit ⁽²⁾	¥28.6bn
Adjusted net profit ⁽²⁾	¥1.1bn

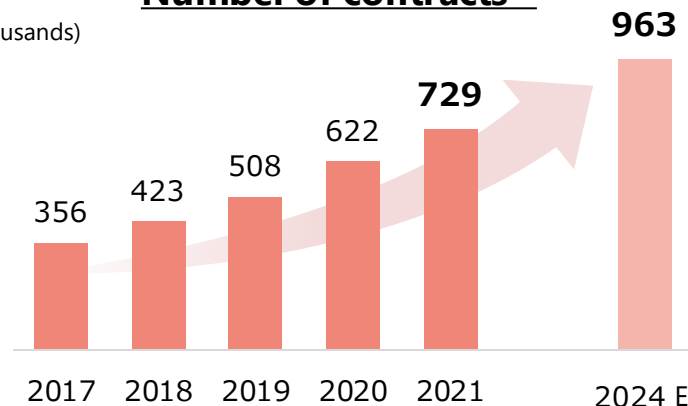
Share on number of policies⁽³⁾



- ✓ ipet realized growth exceeding a whole industry and expands its business

Number of contracts⁽³⁾

(Thousands)



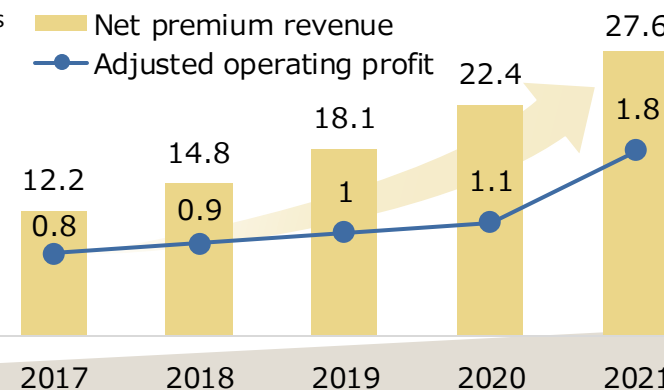
Number of contracts 5-year CAGR

ipet: 19%
(ref. peer A, B are 10%)

Market: 15%

Net premium revenue and Adjusted operating profit⁽⁴⁾

(Billions of yen)



Net premium revenue 5-year CAGR

ipet: 22%

Market: 16%

(1) As of March 2022 (Consolidated basis) (2) FY2021 results - net profit is adjusted basis (non-GAAP) on unearned premium method and excluding the impact of catastrophic reserve

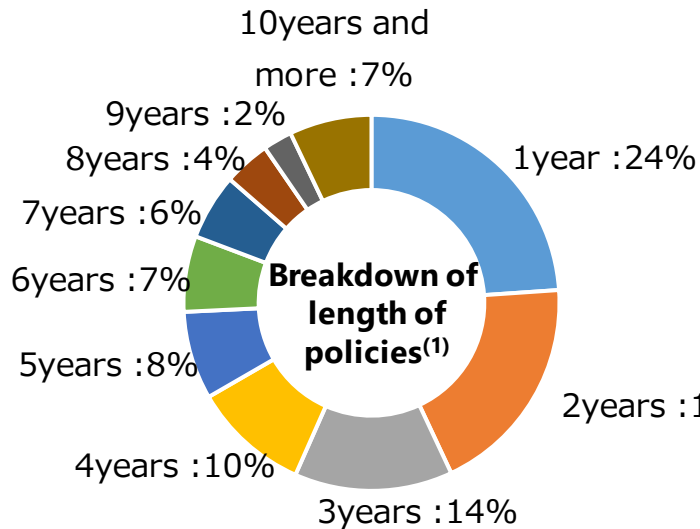
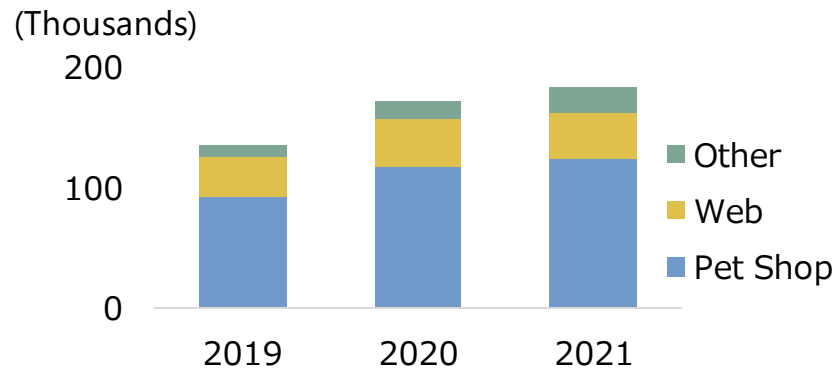
(3) ipet disclosure materials (4) Figures at and before FY2019 are of ipet Insurance Co., Ltd.



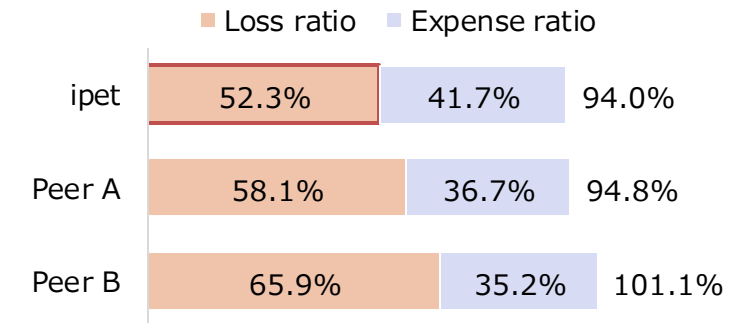
ipet's strengths

- ✓ **High proportion of insurance coverage for young pets with low loss ratio, through pet shop channel selling insurance mainly for 0 year old pet**

Number of new business by channel of ipet

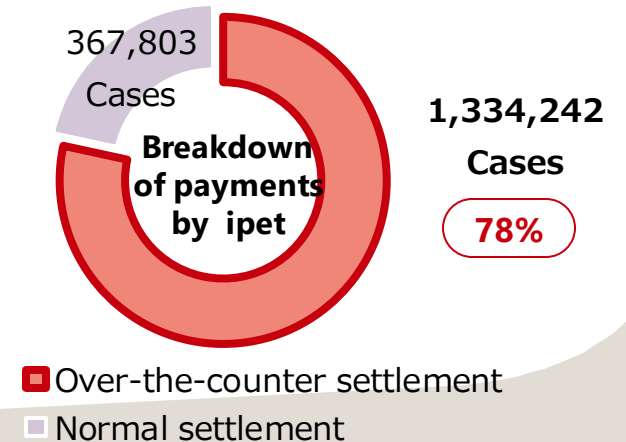
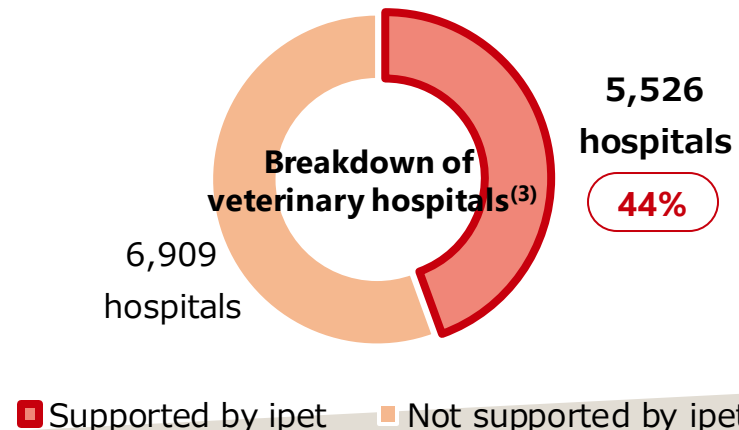


Combined ratio of the top three companies⁽²⁾



- ✓ **Strength in convenience by offering a "over-the-counter settlement system" at veterinary hospitals, where payments by owners are charged only for out-of-pocket expenses that are not covered by insurance.**

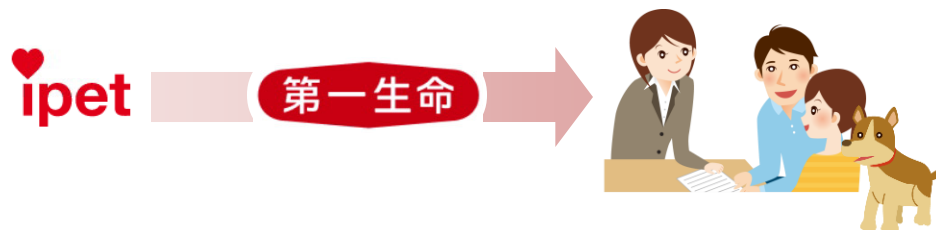
Normal settlement	Pay the entire amount at the veterinary hospital counter and claim to the insurance company.
Over-the-counter settlement	Pay only out-of-pocket expenses at the veterinary hospital counter (no need to claim afterward) ⇒ Only the top two pet insurance companies mainly accommodate this treatment oligopolistically



Strategic significance

- ✓ We have formed a business alliance with ipet since 2019 and are selling ipet's products through sales reps channel

Now



We have sold approx. 8,700 policies in total through sales reps channel, and contributing to the expansion of contacts with new customers

- ✓ Through the acquisition as a wholly owned subsidiary, we will enhance medium-to long-term corporate value by deepening cooperative relationships that contribute to achieve management strategies of both

Future

ipet's Mid-Term Priorities

Top-line improvement with quality

- ✓ Expansion of sales channels
- ✓ Strengthen sales quality and CRM

Improve productivity

- ✓ Strengthening operation and systems
- ✓ Rationalization of operating expenses

Reinforcement of business infrastructure

- ✓ Strengthen human capitals related to actuarial, product development, IT, risk management, etc.

Anticipated synergies

- ✓ Utilize our group's **customer base** and **multi-channel, multi-brand** distribution paths

- ✓ Expand **contacts with customers** through cross-selling

- ✓ Maximize growth potential by leveraging our group **capital base**

- ✓ Support **human capitals** through plenty of resource base with specialized skills

- ✓ Improvement of **risk profile** through insurance risk-taking

- ✓ **Diversification of business portfolios** through expansion into new businesses domain

Our Group's Business Strategy (Excerpt)

CX Design Strategy

- ✓ Creating value through enhancing experiential value
- ✓ Expansion of non-life insurance and QOL domain
- ✓ Expansion of customer base

Expand and explore business portfolio

- ✓ Expand core business (Protection, etc.)
- ✓ Explore new organizational capabilities



Acquisition scheme and schedule

- ✓ **A tender offer (TOB) for ipet's shares is underway. After tender reached more than 2/3, we plans to make it our subsidiary and acquire the remaining shares from minority shareholders.**

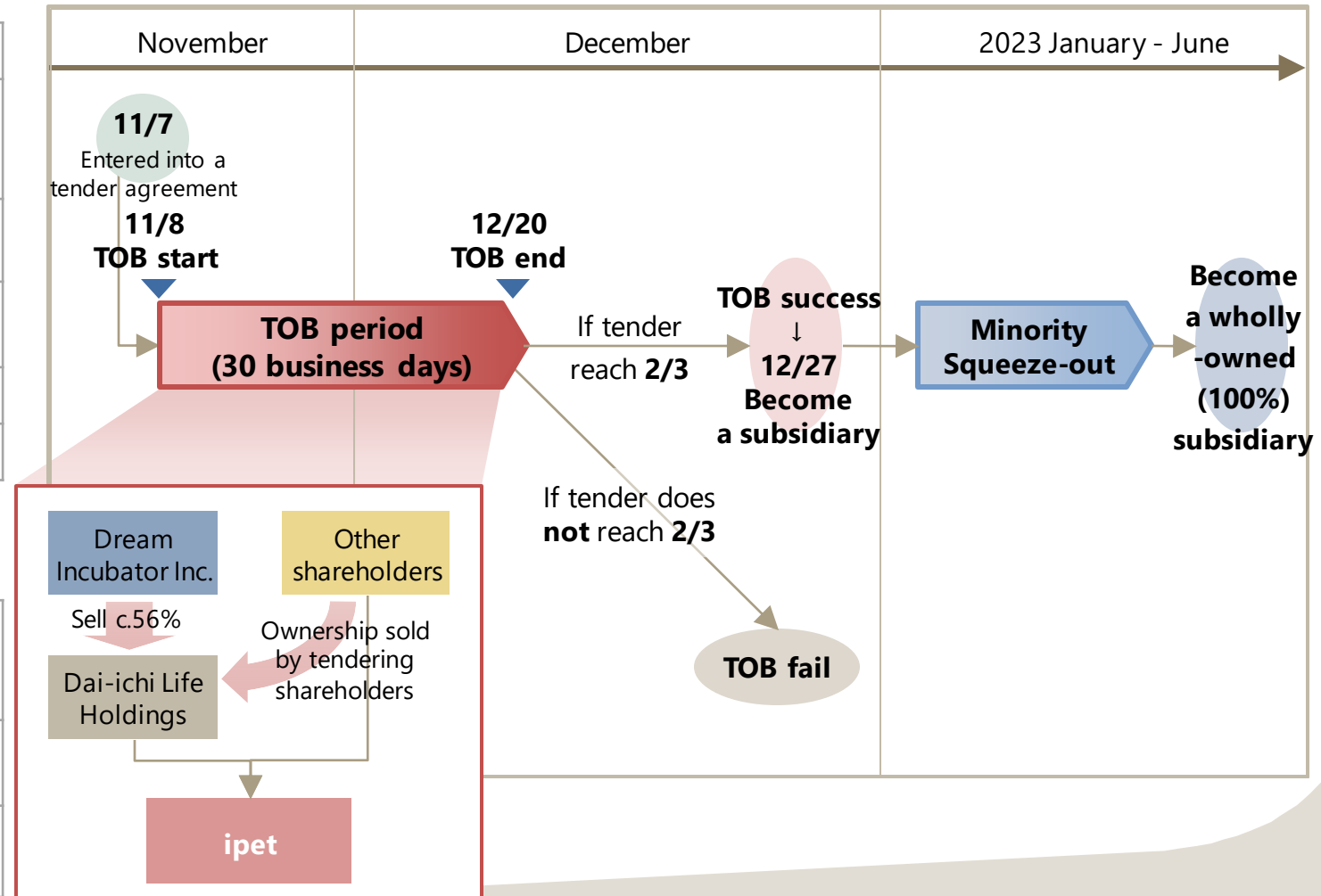
Scheme/Valuation

Acquisition method	Take-over bid ("TOB")
Total number of shares to be purchased	All shares of common stock and Share Option (Lower limit: 66.67% of ownership)
Tender offer price (Common Stock)	¥3,550
Premium	Compared to the closing price on Nov. 4 +47.92%
Settlement day	December 27, 2022
Total purchase price	approx. ¥39bn

Financial impact

Earnings outlook, Cash contribution	Net income forecast in FY2026: approx.¥2.0bn Expect cash contribution after elimination of accumulated losses
Impact on group ESR	approx. (1.2)%pt decrease ⁽¹⁾
Group risk Profile	Insurance risk share: approx. +0.1%pt ⁽¹⁾

Planned Schedule



1. **Expand and Explore Business Portfolio**
2. **Create 4 Experiential Values**
3. **COVID-19-related Benefit Payment**

Vision for Domestic Business - Sustainable Growth of Customer base with Improving NPS

- ✓ Aim to achieve sustainable growth by increasing the number of customers with drastic improvements in NPS® which is a direct evaluation from our customers

**Target for around
FY2026**

(as of FY 2021)

NPS® (1)
(customer evaluation/recommendation level)

TOP level in the industry

Medium Rank among peers (50.1)

(slightly improved from the previous fiscal year)

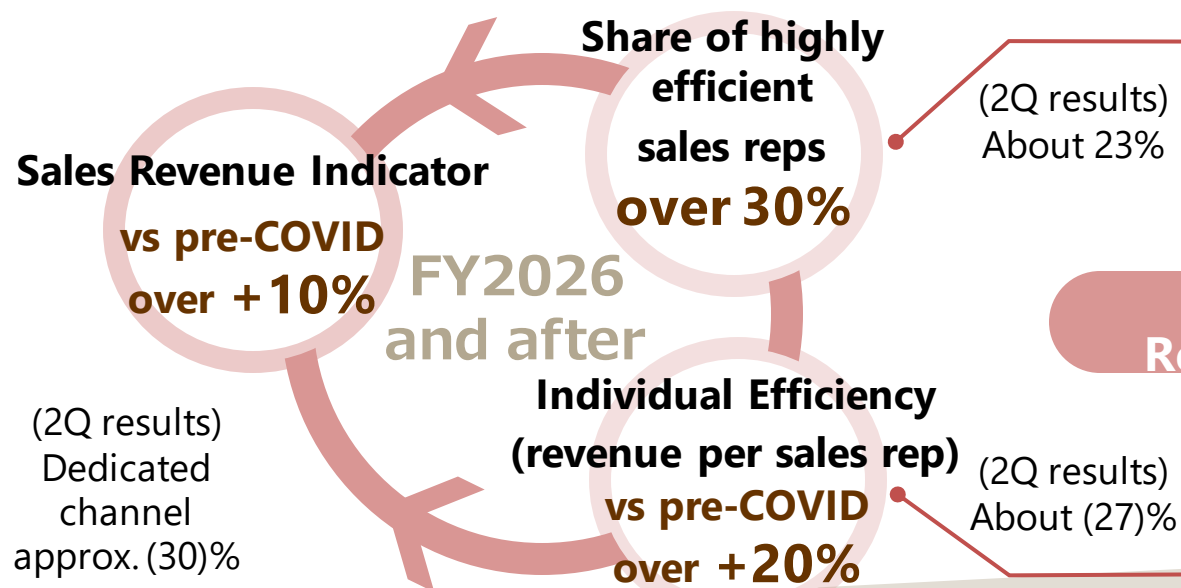
Number of Domestic Customers
(Total in Domestic Business)

Total 12 million

Approx. 11.53 million

(Plus 0.2 million at Dai-ichi Smart)

- ✓ Allow for temporary headwinds and place a value on transforming into a sustainable sales channel that breaks away from the traditional business model



Transforming the sales reps channel

- Hiring with an emphasis on basic ability and aptitude
- Expansion of quality and quantity of training
- Reform of compensation system for new employees

[CX Design Strategy] Realizing the OMO and Four Experiential Values

Integrated reform of consulting and products

- Upgrade and utilize life plan consulting, which is based on 3 categories "Asset formulation", "Protect income", "Prepare for expenses", taking account of social security system
- Revamp product lineup linked to consulting and accommodating each customer needs

Domestic Insurance Business - Current Status of Dai-ichi Life's New Business

✓ New Business of DL fell short of expectations due to expansion of conversions and shifting sales to DFL products

From the end of FY2019

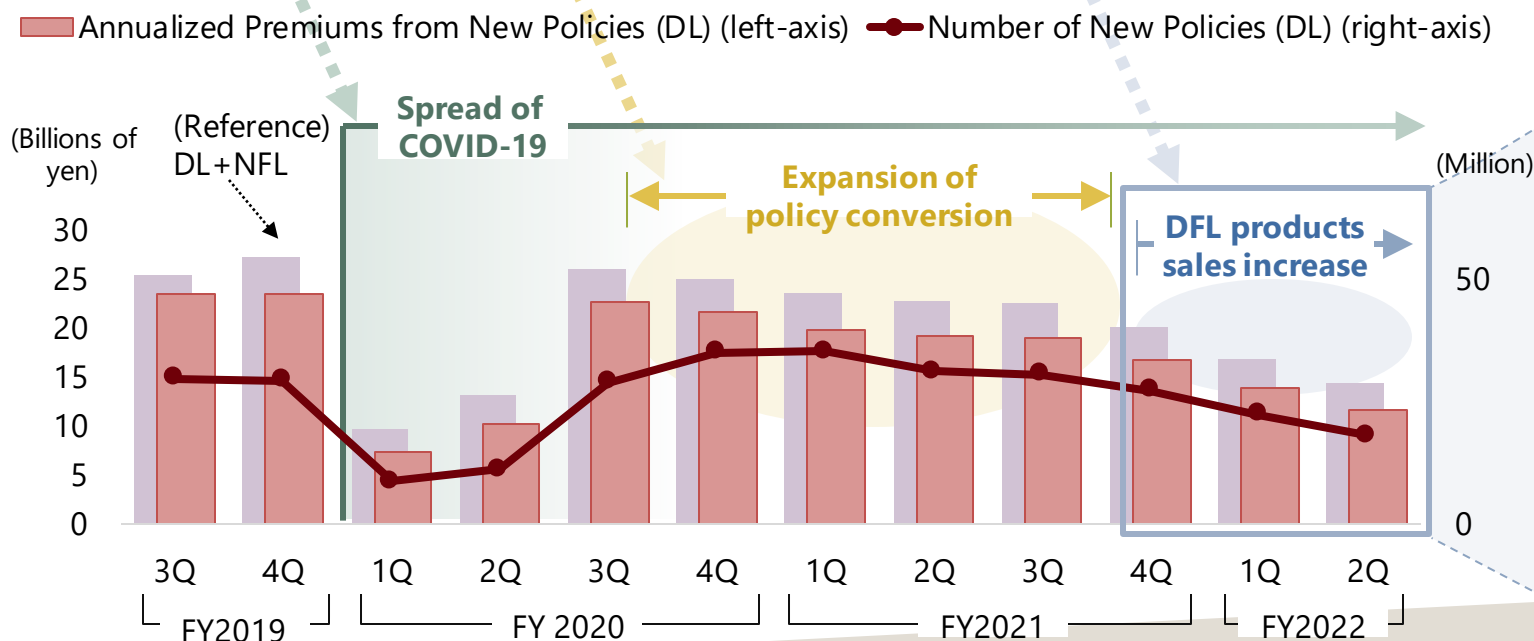
- Sales activities remarkably stagnated due to the spread of COVID-19

From the second half of FY2020

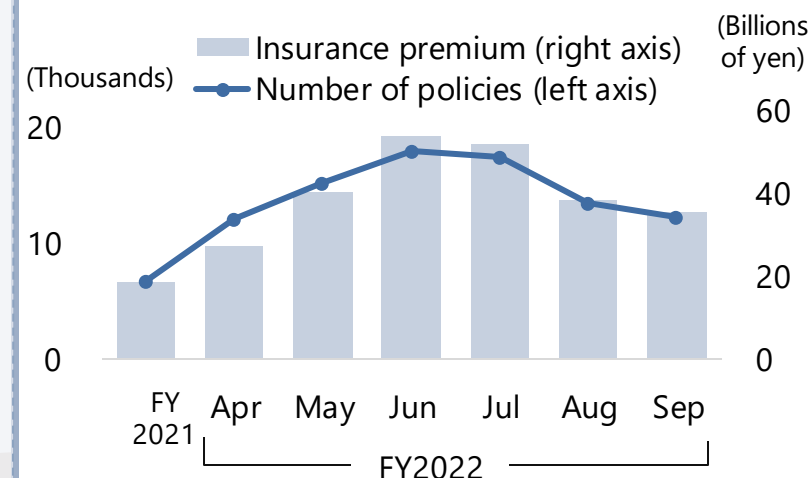
- Despite the resumption of sales activities, certain constraints continued due to environmental changes with COVID, and contacts with customers (especially new customers) decreases
- Policy conversion increased more than expected due in part to the features of new products

From the end of FY 2021

- Policy conversion has peaked out, and the consulting and products reform is spending time to be accommodated
- Foreign interest rates hike makes DFL savings-type products attractive, which leads sales shifted to DFL products



DFL products sale through DL sales reps channels ⁽¹⁾



(1) In FY2021, the number of monthly average conversions and insurance premiums are shown

Current Status and Issues of Sales Reps Recruitment

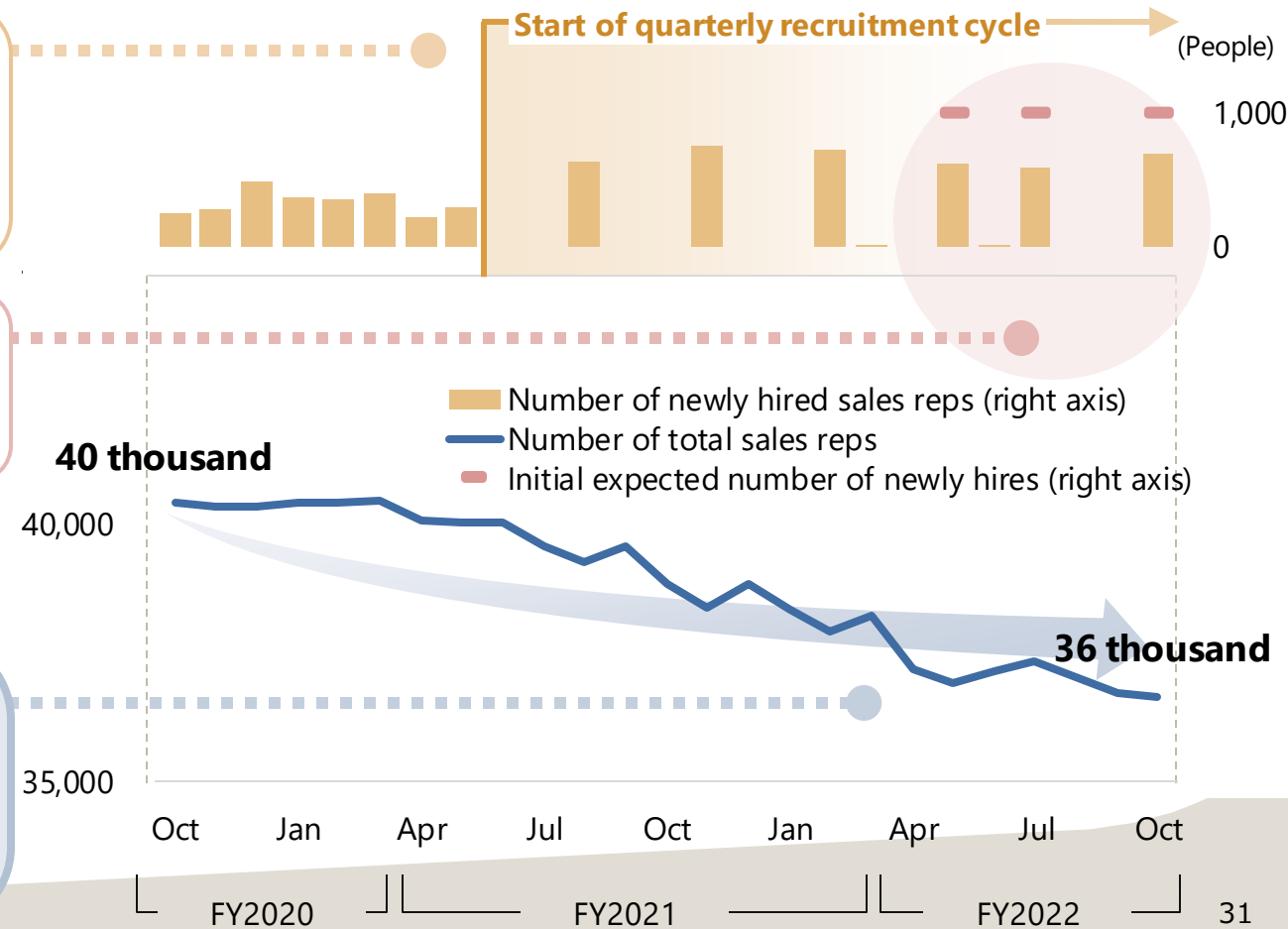
- ✓ **Recruitment focusing on basic abilities and aptitude to narrow the candidate of sales reps is gradually stabilized. However, securing a stable number of new employees remains to be a challenge**

Challenges of sales reps recruitment

- Started new recruitment practice in FY2021
- Shift to a quarterly recruitment cycle from the previous monthly recruitment so that we could evaluate candidates' aptitude carefully. In addition, maximum limit for the number of hires is being set, instead of setting the target of the number of hires
- Narrowing down the candidates by focusing on basic abilities and aptitudes is gradually accommodated
- However, the number of new hires remains to be lower than expected

- ✓ **The number of sales reps is declining to 36 thousands with slightly higher pace than expected**
- ✓ **Initiatives that lead to secure stable number of new hires, while maintaining quality in terms of basic ability and aptitude**

Number of new hired and total sales reps



Efforts to Solve Issues - Sales Reps Recruitment

- ✓ **Efforts to hire talented candidates are showing some outcomes. Take initiatives to expand and diversify the population of candidates to realize stable recruitment**

Efforts to Solve Issues and Current Status

- Enforcing to assess aptitude using SPI
 - Measure required basic skills and job aptitude (communication skill, etc.), indicators for recent hires are trending upward

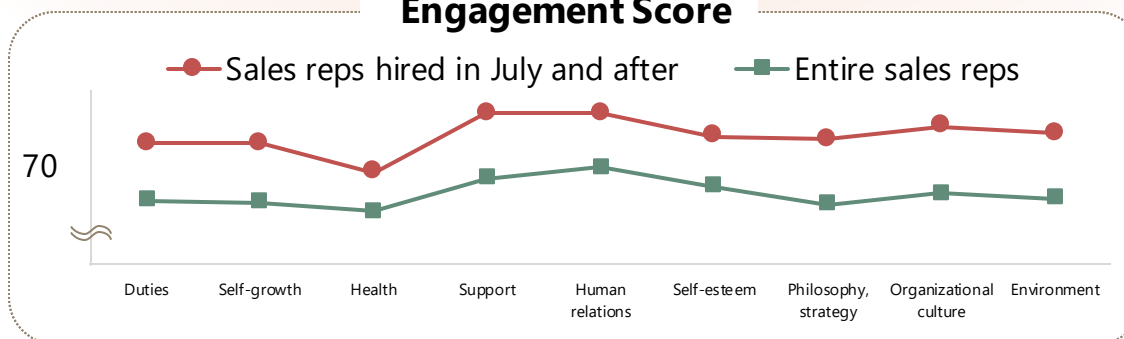
Basic Skills

Improved by
approx. 6% YoY

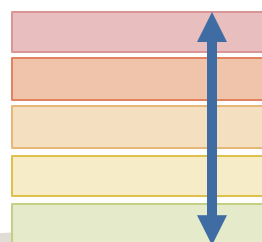
Aptitude

Improved by
approx. 23% YoY

Engagement Score



- Approach excellent candidates by expanding courses and range of payroll range

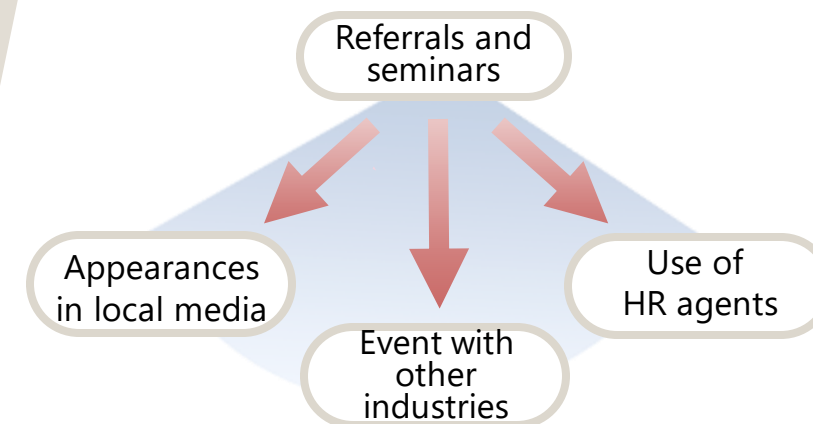


Expand and segmentate career courses and payroll tables based on knowledge, experience, and skills

Enabled to hire excellent candidates with experience of working in financial institutions and knowledge of finance and asset formulation

Future Direction

Expand population of candidates by diversifying recruitment routes, and work to secure stable number of hires, while continuing selective recruitment with focus on quality



Consider diversifying recruitment routes to expand the population of candidates taking account of cost-effectiveness



Current Status and Issues of Comprehensive Reform of Consulting and Product

- ✓ While the consulting method and product lineup has been upgraded to improve customer's sense of conviction, it is taking a time to be well-established

Issues in introducing new consulting methods

- Upgraded the life plan consulting and revamped product lineup
- Input detailed customer information that enables to visualize more specific and personalized life plans
- Make the new lifeplan mandatory and propose product that linked to simulation results

- While it is ideal that customer purchase contract combining "Form assets", "Prepare for expense", and "Protect income" categories, recent sales trend is increasing the contracts of only "Prepare for expense" category

Premium per contracts consisting of only "Prepare for expense" is low, which means it is essential to establish consulting know-how that leads to expand new business that combine with "Protect income" category

Comprehensive reform of consulting and products

- Making new life plan consulting mandatory and visualizing the necessary funds and insurance amount based on the social security system



- Renovation of product lineup linked to simulation through consulting

Form Assets

[DL/DFL savings-type products]

Individual annuity, Educational endowment insurance, DFL products

Prepare for expense

[Medical, nursing care, Disability, etc.]

3 major diseases, nursing care, physical disability, medical care, dementia, term insurance, etc.

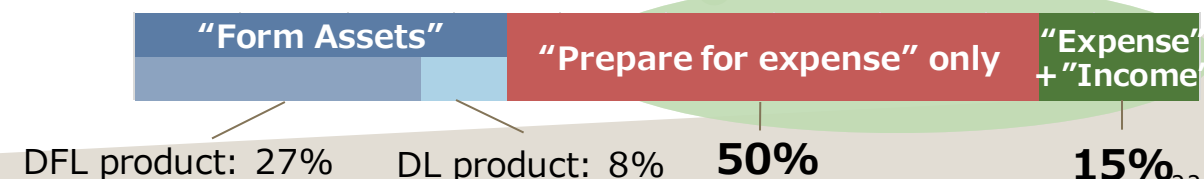
Protect income

[Income protection]

Income protection, disability income insurance, etc.

Sales Trends by Category

(based on the number of contracts in Jul.-Sep.)⁽¹⁾



(1) For "Prepare for expense" and "Expense + Income" categories, the scope is DL's flagship products "JUST"

Efforts to Solve Issues- Comprehensive Reform of Consulting and Products

- ✓ **Expand educational programs to enhance skills that enable to propose combinations from multiple product categories, taking account of social security systems**

Efforts to solve Issues

Accommodate
New method
of consulting

- Implementing educational programs to expand knowledge of social security and asset formation, and enhance appropriate proposal skills that leads to the well-established operation of new life plan consulting
 - The rate to attach income-protection products is gradually increasing, which led to selling to customers of younger and core generation for protection
 - As a result, the average number of products sold and insurance premium per contracts is gradually improving

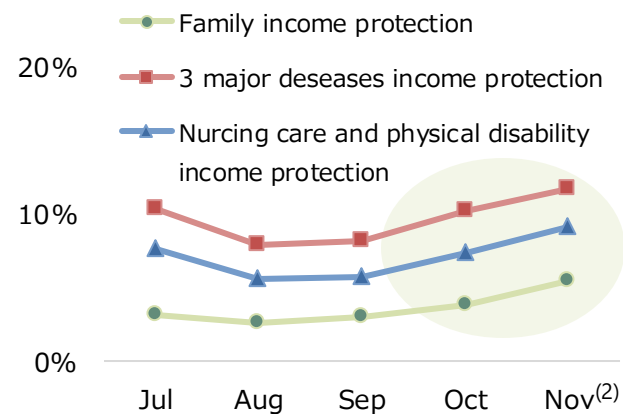
Future Direction

Aim to expand LTV through increasing premium per policy by providing educational materials and conducting trainings to establish consulting toward “Protecting Income” category

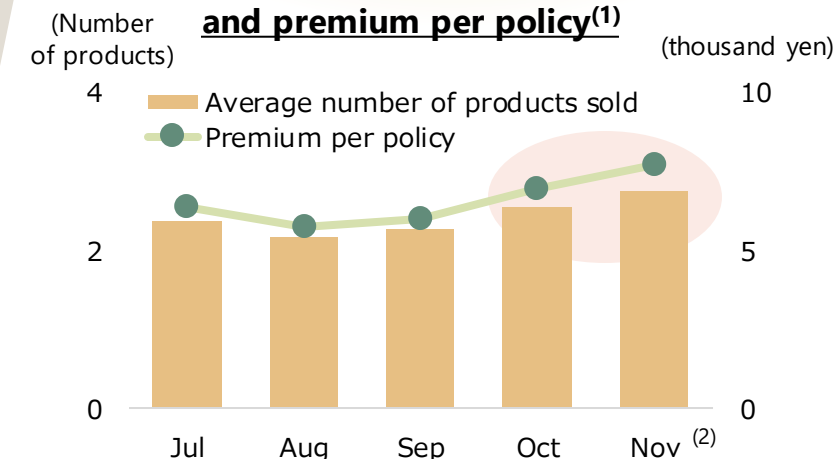
Voice of Customers on the New Life Plan Consulting

- I learned about social security and taxes in an easy-to-understand way, and I was able to think about my future properly. I am satisfied with insurance policy I got and there is a sense of reassurance that the company would listen to me carefully whenever I needed.
- Besides life insurance products, it is great to have a lineup of asset-formation products, such as foreign currency-denominated individual annuity. Through life plan consulting, it is a great opportunity to see what is needed or not-needed for me.

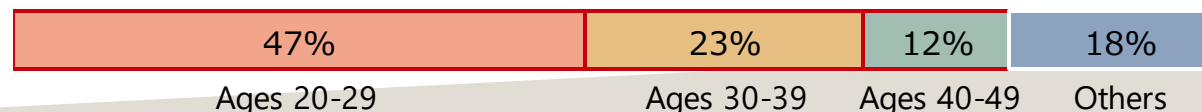
Attachment rate of income-protection insurance⁽¹⁾



Average number of products sold and premium per policy⁽¹⁾



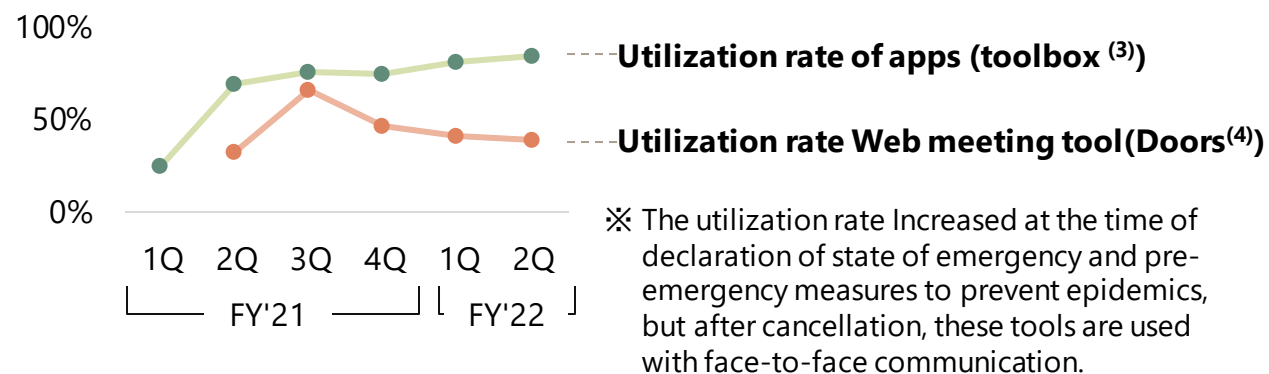
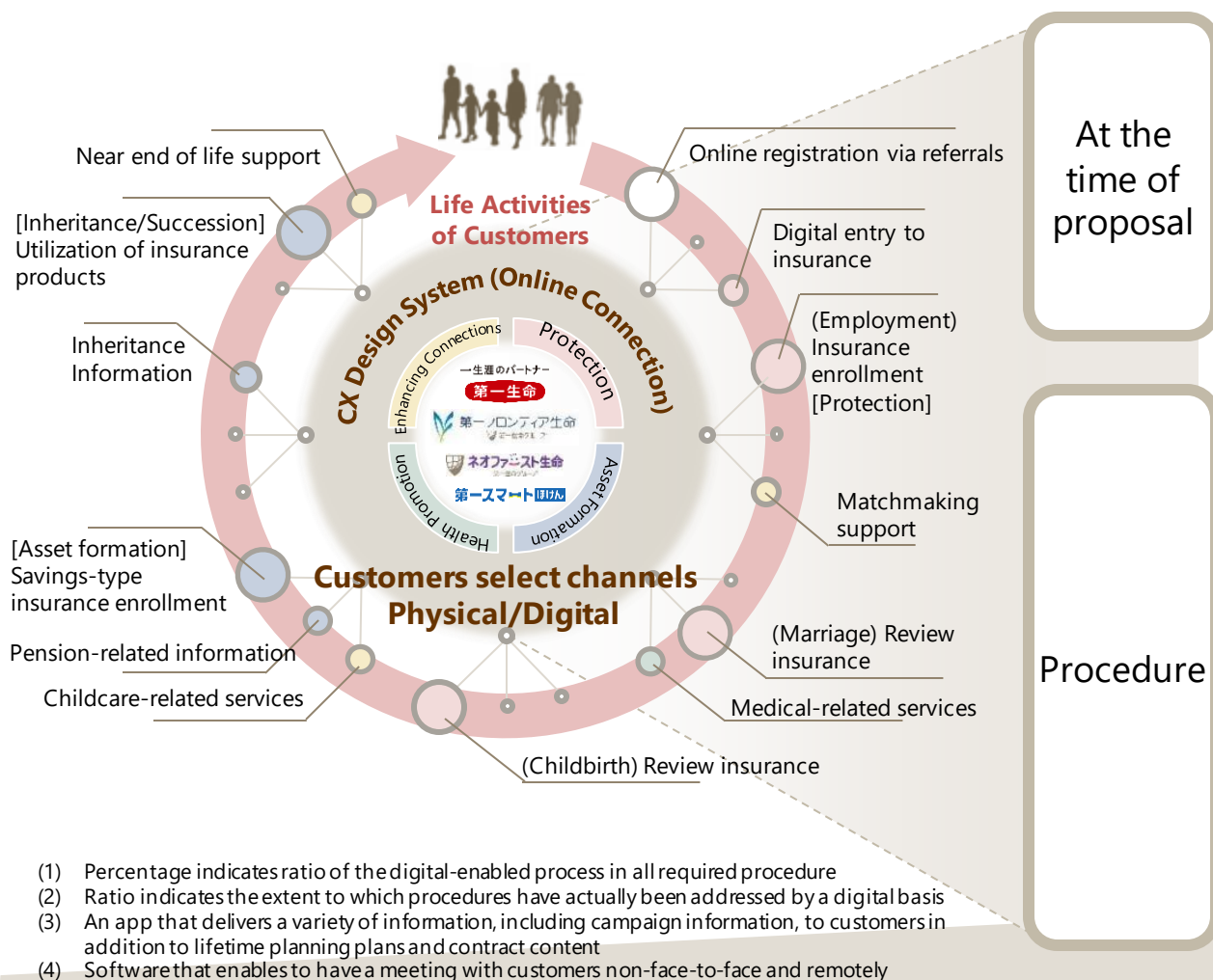
Age Distribution of Income Protection Insurance (Since July 2022)



Age 20's to 40's dominates more than 80%

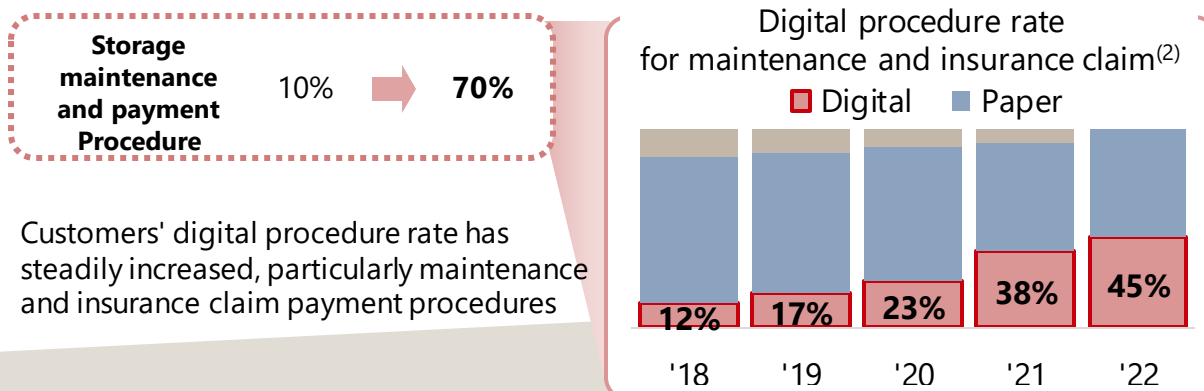
CX Design Strategy - Progress of Efforts to Realize the Dai-ichi Life Version OMO

- ✓ Promote online procedures as a part of our OMO to connect with customers through the timing/methods they desire
- ✓ Digital utilization rate at the time of proposal and digital coverage rate⁽¹⁾ and digital procedure rate⁽²⁾ in after-sales maintenance and payment procedures improved significantly



Digital-coverage⁽¹⁾

	FY2018	At present
Application Procedure	90%	100% digital compatible except for some corporate contracts
Storage maintenance and payment Procedure	10%	70%



[4 Experiential Values]

Retirement, Savings and Asset Management, Health and Medical Care, Enhancing Connections

Retirement, Savings and AM

DL

- ✓ Launched "Mirai Deco", a new plan for iDeCo (From Oct. 2022)

- A robo-advisor app "DC no Sapuri" will be attached as a standard. Supporting customers' asset management through delivering asset allocation examples and learning content tailored to each individual, etc.

ミライデコ

DCの サプリ



- ✓ Launched new products related to retirement and inheritance
- ✓ DFL was at the top share⁽¹⁾ for single premium products in OTC sales at bank in the first half of FY2022 due to strong sales of index-linked pension products..

プレミアフューチャーM

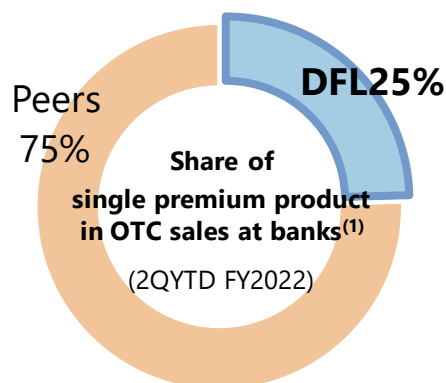
(From Jul2022) Individual variable annuities can be expected for aggressive asset growth

プレミアプレゼント3

(From Jul2022) Whole Life Insurance with dementia or nursing care plans

指数連動年金2

(From Sep 2022) Individual pension insurance can be expected to be added return depended on the referred investment index



Health and Medical Care

- ✓ Concluded contracts for introduction of "Healstep" with 11 health insurance associations (Incl. mutual aid. Target for FY2022 is 20 associations)
- ✓ Aiming to further promote collaborative health between companies and health insurance associations by expanding and developing services

Expand services to the corporate sector

- Promoting health management through delivering various services in health and medical fields.

Current service area (Health promotion)

Expansion of services

- Specified health guidance area
- Medical checkup reservations, medical cost notices, etc.

Promotion of collaborative health

Health Insurance association

Corporate

Enhancing Connections

- ✓ Expand initiatives to contribute to local communities and QOL services through collaboration with external partners

- Regional promotion through collaboration with "Jimoti"
- Introduction of website for hometown tax payment through collaboration with "Unimedia"

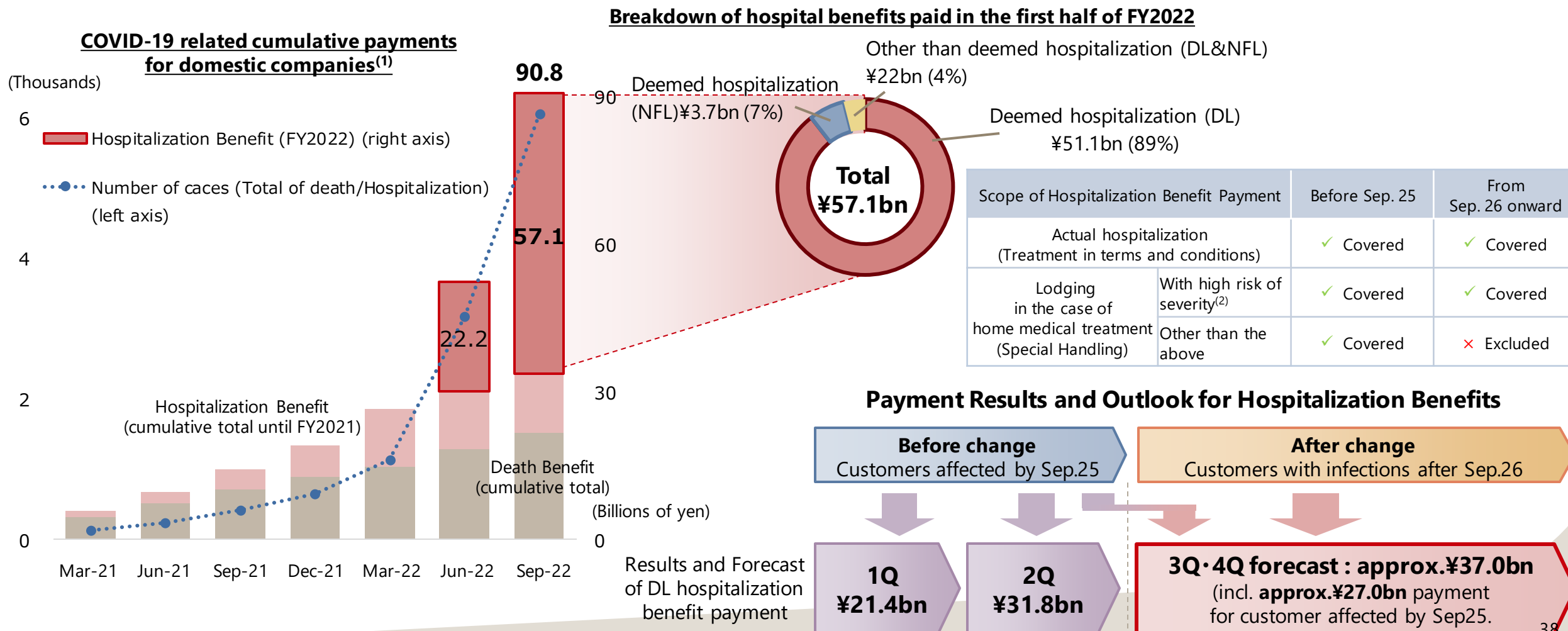
- "Age of Learning" (Children's English education)
- "Profelier" (one-on-one coaching)
- "Bears" (housekeeping)

- 1. Expand and Explore Business Portfolio**
- 2. Create 4 Experiential Values**
- 3. COVID-19-related Benefit Payment**



Benefit Payment Related to COVID-19

- ✓ **Hospitalization payments related to the COVID-19 at domestic group companies sharply surged due to the increase in payments for “deemed hospitalization” in the 7th wave of pandemic**
- ✓ **Considering the current conditions, the scope of the hospitalization payments for the COVID-19 was revised to pay only for those with a high risk of severity**



(1) Cumulative basis since the start of counting (March 2020) (Domestic figures include DL・DFL・NFL)

(2) Those who are 65 years of age or older, or who require hospitalization, or have a risk of severity and need treatment of COVID-19 medicine or administration of oxygen, or pregnant women.

Overview of the First Half of the Fiscal Year and Further Promotion of the Future Medium-Term Management Plan

Financial performance

- ✓ Revised FY Group adj. profit forecast downward due to the impact of COVID-19 and an increase in currency hedging costs derived from rising overseas interest rates
- ✓ Revised FY Group value of new business forecast downward due to weak sales at DL
- ✓ Respond appropriately to the changes of external environments to stabilize profits, and accelerate initiatives to recover new sales

Capital Strategy

- ✓ Maintain DPS increase YoY, and implement strategic investments selectively
- ✓ Aim to reduce the cost of capital and improve ROE through steady progress of the market-related risk reduction initiative

Business portfolio expanding and exploration

- ✓ Promote initiatives to diversify geographical footprint and acquire digital capabilities for expanding business fields
- ✓ Aim for an appropriate business portfolio that captures changes in the current business environment through realizing anticipated synergies steadily

Realization of experience value

- ✓ Promote various initiatives in each area of experience value with the recognition that domestic protection business has been facing serious challenges
- ✓ Continue management efforts by implementing flexible measures to achieve a goal

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