

FY2025-Q2 Financial Analyst Meeting Presentation Script

Date: November 27, 2025, 10:00–11:30
Respondent: Tetsuya Kikuta, Representative Director, President (Group CEO)
Taisuke Nishimura, Executive Officer (Group CFO)

[Title slide]

- Good morning. This is Nishimura. Thank you for joining us today. I would like to take a moment to review our performance in H1.
- Please turn to page 2.

[Page 2]

- The Group's adjusted profit was ¥231.1 billion, 56% of the initial forecast, due to an increase in gain on sales of securities at DL and strong profit at PLC. In light of the strong progress, we revised the profit forecast upward for the current fiscal year to ¥470 billion on November 14.
- The Group's value of new business was ¥106.3 billion, reflecting favorable sales and the positive impact of rising domestic interest rates. Remittance from subsidiaries has increased by ¥60 billion due to the increase in the Group's adjusted profit and is expected to total ¥830 billion for the current and next fiscal year.
- In terms of shareholder payouts, we have raised the dividend by ¥3 and expect total payouts to increase by approximately ¥11 billion to ¥284.8 billion.
- The finalized ESR at the end of September was 218%, up 8%pt from the end of the previous period, due to higher stock prices, new business value, and expected earnings, as well as the increase in eligible capital driven by higher interest rates, despite the increased mass lapse risk associated with higher interest rates.
- As for relative TSR, which reflects the market's evaluation, as of the 21st of last week, we ranked 7th among our peers, maintaining our target of being relative advantage.

[Page 3]

- This is ESR. While lapse risk increased as interest rates rose, the rise in domestic stock prices and interest rates, including the steepening of yen interest rate, together with the increase in the value of new business and expected earnings, led to a significant increase in eligible capital of ¥900 billion, resulting in an ESR of 218%.
- Compared to our outlook at the beginning of the fiscal year, the ESR is above the range due to the favorable economic environment, but we expect the ESR to decline by approximately 10% points toward the end of the fiscal year, taking into account the cash outflow of undrawn M&A funds.

Considering the volatile market environment, including interest rates, we believe that the level is generally within the appropriate range.

- The sensitivity shown on the right side has not changed as a trend from the level shown in June.

[Page 4]

- You will see the Group risk profile. As an initiative to reduce market risk, the ratio of equity risk to total capital requirement remained flat, as the increase in market value due to higher stock prices offset the sale of domestic equities. On the other hand, mass lapse risk tends to increase due to rising interest rates.
- In light of this situation, we have increased the target amount of stock sales for the current fiscal year from ¥380 billion to approximately ¥700 billion. We will continue to monitor the market environment closely and work to improve capital efficiency through risk reduction.

[Page 5]

- I would like to provide a supplemental explanation of the status of DL's asset and liability duration matching.
- During the conference call on the 14th, we disclosed that the matching ratio on a dollar duration basis for DL's individual insurance block is 104%. DL holds most of its assets as policy-reserve-matching yen bonds. Unlike held-to-maturity securities, this is an asset category that can be rebalanced as needed in response to policy reserves.
- In the liability block of DL, the duration of liabilities fluctuates due to policy cancellations and new policy acquisitions, and we adjust the asset side by rebalancing the policy-reserve-matching yen bonds flexibly and in an agile manner so that we do not become over hedged.
- In terms of interest rate sensitivity, we have calculated an effective duration that reflects the impact of derivatives, and I would like to add that the matching ratio is approximately 97% under this view.

[Page 9]

- See page 9. This is the cash position of HD.
- In line with the upward revision of the Group's adjusted profit, remittance for the fiscal year ending March 2026 is expected to be about ¥60 billion higher than assumed at the beginning of the fiscal year. In addition, we are currently considering the capital release of some of our domestic subsidiaries in accordance with the changes in capital regulation for the end of the fiscal year. This table has not been updated, but we will provide a new explanation when there is an update in the future.
- As released in October, DL repaid the subordinated loan that reached its call date on a stand-alone basis, while HD raised ¥210 billion in subordinated loans by considering the Group based capital levels. This impact has increased the cash position of HD to ¥440 billion. In the absence of strategic investments or other uses, this fund is positioned as a source of funds to repay a portion of the borrowings planned for the next fiscal year, including deleveraging. Combined with the increase in

profit in the previous fiscal year, free cash flow is expected to increase by approximately ¥150 billion compared to the beginning of the Mid-Term Management Plan ("MTP").

[Page 10]

- In the current MTP, we are aggressively promoting strategic investments. The capital surplus generated by risk reduction at DL has been allocated to growth businesses, particularly in overseas business and asset management. Since the start of the MTP, we have executed about 10 strategic investments of various sizes, including bolt-on projects. Concurrently, we have actively managed capital circulation through measures such as exiting our Thailand operations and ceding unprofitable blocks by PLC. In executing investment projects, we make investment decisions with discipline, setting hurdle rates according to the risks involved.
- Going forward, we intend to improve capital efficiency through capital-light projects, projects that lead to growth in the asset formation area, and the realization of actual synergies with overseas bolt-ons, and through these initiatives, we aim to achieve an early increase in corporate value.

[Page 11]

- The report reflects on the profit contribution of our overseas operations.
- Since entering Vietnam in 2007, we have expanded into a total of 10 countries and have steadily increased our business scale and profit contribution by capturing the growth potential of each market. In developing our overseas business, we have deep knowledge in the insurance domain, and we have teamed up with local management who are familiar with the regulations of each country. We have also actively invested human capital from the Group to leverage our extensive experience in insurance and to enhance value over the medium term.
- ROI figures are provided here, but not all projects are able to post such figures from Day 1. In the insurance business, which is a regulated industry, the initial ROI tends to be calculated low due to the heavy Day 1 costs in the early stages of acquisition. However, by realizing growth over time, we are able to continue to generate stable profits over the long term. Our overseas operations currently generate more than ¥100 billion in profits, about one quarter of the Group total, and we intend to continue to increase the value of each operation to achieve further growth.

[Page 12]

- I would like to provide a special supplement regarding the future profit outlook for PLC, in the US, which is one of the pillars of our overseas business.
- Since the acquisition in 2016, we have expanded the scale of our business by executing large block acquisitions in 2018 and 2019, while also making capital infusions from us. On the other hand, the impact of the novel influenza, COVID-19, and defaults caused by the bankruptcy of US regional banks has kept profit levels stagnant for several years. Although these events may appear to be one-time negative factors, we have received many harsh comments from the market regarding PLC.

- In recent years, as the temporary downward pressures have subsided, we have been proactively working to improve business efficiency by reducing operating expenses and ceding unprofitable blocks. Furthermore, efforts to enhance the profitability of existing businesses are underway, including improving investment yields through portfolio restructuring and expanding the balance of retirement products. These initiatives are enhancing PLC's capital efficiency, contributing not only to the Group's profit levels but also to the improvement of Group ROE.
- We recently announced the acquisition of Portfolio. Portfolio is involved in the warranty business in the US, which is a capital-light business model that earns most of its revenue from fee income. Including the Shelter Point acquisition last year and our existing asset protection business, PLC plans to aggressively expand its capital-light business areas and aims to generate approximately \$200 million in profit from these areas in FY2030.
- PLC intends to accelerate its efforts to break out of the several-year trend of stagnant profit levels and to increase earnings, in order to achieve the Group's adjusted profit targets for FY2026 and FY2030 and to once again realize the growth story we envisioned when we acquired the Company in 2016.

[Page 14]

- Finally, I would like to touch the Group EV. In addition to things such as value of new business and expected returns, the Group EV increased significantly due to steepening caused by rising interest rates and changes in curve shape. Regarding EV disclosure, we are currently considering disclosure to the ESR in light of the introduction of economic value regulations at the end of this fiscal year. We would like to consider disclosing more useful information to investors in the future.
- That is all from me. I would like to pass the baton to Mr. Kikuta.

[Page 16]

- This is Kikuta. Thank you for taking the time to join us today. I would like to explain our growth story for FY2030.
- First, I would like to discuss the progress of the current MTP. As Mr. Nishimura mentioned earlier, the Group's adjusted profit and adjusted ROE for H1 have significantly exceeded the initial plan, partly due to the favorable economic environment, and as we have already disclosed, we have revised upward our full-year forecast for the current fiscal year.
- On the business front, we are making steady progress in our efforts to enhance corporate value. With steady progress in overseas operations and M&A in non-insurance areas, we recognize that we are steadily taking steps toward improving capital efficiency and future growth.
- In the domestic business, DL's new business performance have continued to recover. At DFL, sales of yen-denominated products have been very strong against the backdrop of rising yen interest rates. As a result, DFL's assets under management have been growing steadily, and the Company is now in a position to expect stable earnings going forward.
- With regard to DL, we intend to accelerate our efforts to improve business efficiency. We expect that Mr. Kai, senior managing executive officer—group head of Protection Business (Japan)—, will give an overview of this matter at the briefing session hosted by the business owner scheduled for the beginning of the year.
- As Mr. Nishimura just explained, PLC is currently driving profit growth in the overseas business. Business management is now firmly established in accordance with the capital policy of HD, with an awareness of capital efficiency, through initiatives such as acquisition projects with light capital charges and the ceding of unprofitable blocks.
- On the other hand, regarding APAC, the current situations in TAL and Vietnam have been difficult, due to worsening payments in TAL and changes in capital regulation in Vietnam, resulting in sluggish performance. In TAL, we will gradually proceed with repricing products for which payments have been increasing, and we expect an improvement in this deteriorating payment environment going forward. In Vietnam, sales in the bancassurance channel have been sluggish in recent years, but we believe the slump has finally bottomed out and that the market will gradually enter a recovery trend.
- In the non-insurance business, Capula, in which we invested in the current MTP, and the real estate asset management area, where our joint venture with Marubeni began operations, have begun to contribute to profit. The adjusted profit in the asset management area this fiscal year is approaching ¥20 billion. As a result, we are now able to achieve a fairly large business scale in this area.
- With regard to Benefit One, sales through DL, especially to large corporations, have been strong. Although P/L revenue will mainly be realized from the next fiscal year, results have been favorable.

[Page 17]

- With this in mind, we have revised our full-year forecast for the current fiscal year upward to ¥470 billion. Although the tailwind of the economic environment, especially the strong stock market, has

been very significant, we recognize that the organic and inorganic initiatives we have taken in recent years have steadily increased our ability to generate profits, in addition to the steady profit generation at DL.

- With regard to the Group's adjusted ROE, the level based on achieving the full-year forecast for the current fiscal year is 11.8%, which almost captures the mid-term target of 12%. On a non-consolidated basis, DL, which is making good progress with its plan to sell domestic equities, is already looking at an adjusted ROE of around 13% for the next fiscal year, and we recognize that the probability of achieving the Group's adjusted ROE target of 12% is quite high. We would like to proceed with a sense of speed and take steady steps to reach our target level of 14% or more by FY2030 as far ahead of schedule as possible.
- In light of these circumstances and future prospects, we have revised our profit target for FY2030 from the previous ¥600 billion to ¥700 billion or more.
- We would like to achieve this profit level based on stable cash flow generation from our domestic business, profit growth at PLC, further full-scale profit growth in our overseas business, and future growth in profit from the asset management business.
- In addition, since the profit level has been raised in the current MTP, the cash position at HD is naturally expected to be larger than at the beginning of the plan. We intend to make effective use of such cash flow for inorganic M&A and other strategic investments.
- Since we cannot achieve the ¥700 billion profit level through organic growth alone, we would like to reach this level through reinvestment and growth investment financed by cash flow that is on an increasing trend. In that sense, from the next fiscal year, we would like to review the Group's KPIs with a focus on cash flow or cash remittance.

[Page 18]

- This is the forecast for FY2030.
- By FY2026, we have set the improvement of capital efficiency as the most important theme in this MTP and have put forward initiatives such as expanding the scale of profits, reducing risks, accelerating the growth of overseas business, and expanding into non-insurance areas. The financial targets of ¥400 billion in group adjusted profit and ROE of 10% or higher set at the start of the MTP have been revised upward to ¥450 billion and ROE of 12% or higher, both of which are expected to be achieved or nearly achieved on a full-year forecast basis for the current fiscal year.
- Given these circumstances, we believe that we are almost on track to achieve the most important goal of the MTP, which was to achieve capital efficiency that consistently exceeds the cost of capital, as we approach the third year of the plan. We have previously announced our intention to accelerate profit growth toward FY2030 by raising the dividend payout ratio to 50% and increasing the allocation of capital to strategic investments once we achieve capital efficiency that consistently exceeds the cost of capital. We recognize that we may be approaching such a point in time.

- First, we hope to achieve our full-year forecast for the current fiscal year and quickly raise the dividend payout ratio to 50%. On top of that, we hope to accelerate profit growth by allocating more capital to strategic investments than we do now. However, the direction I just mentioned does not imply a weakening of our return policy. Rather, we intend to expand shareholder payouts in the future, with a focus on shareholder dividends.
- Regarding share buybacks, we usually announce the buyback plan with figures for the fiscal year around the time we release our full-year financial results. We recognize that share buybacks are an important measure for improving capital efficiency and returning profits to shareholders, but we would like to be more flexible regarding the timing of buybacks. We would like to change our management approach so that we do not make announcements at a fixed time, but instead operate flexibly based on the cash flow situation, the presence or absence of strategic investment projects, or stock price conditions.

[Page 19]

- The Company has been able to consistently increase dividends over the past 10 years due to its stable earnings and cash generation capabilities. We recognize that DPS has maintained a good CAGR of 18%. We recognize that EPS, also at 11%, will allow us to achieve stable profit growth.
- Going forward, we intend to steadily implement our growth strategy, particularly focusing on profit growth, to accelerate the speed of growth, and at the same time, to increase shareholder payouts more than ever.
- That concludes my explanation. Thank you for your attention.

Note: Some of the above content has been added or modified to make it easier to understand.

[Company name abbreviation] HD: Dai-ichi Life Holdings, DL: Dai-ichi Life, DFL: Dai-ichi Frontier Life, PLC: Protective

[Disclaimer]

In preparing this document, Dai-ichi Life Holdings Co., Ltd. (hereinafter referred to as "the Company"). The Company relies on and assumes the accuracy or completeness of any information available to the Company, but does not make any representations or warranties as to the accuracy or completeness of such information. The information contained in this document is subject to change without prior notice. This material and its contents may not be published or used by any third party without the prior written consent of the Company.

Forward-looking statements made herein are forward-looking statements. Forward-looking statements include, but are not limited to, words such as "believe," "anticipate," "plan," "strategy," "expect," "anticipate," "predict" or "potential" or other similar expressions describing future business activities, performance, events or circumstances. Forward-looking statements are based on the judgment of the Company's management based on currently available information. As a result, these forward-looking statements are subject to a variety of risks and uncertainties, and actual results could differ materially from the expectations expressed or implied in the forward-looking statements. Therefore, you are cautioned not to rely on any forward-looking statements. In light of new information, future events, or other discoveries, we undertake no obligation to change or revise any forward-looking statements.