

**(Unofficial Translation)**  
**Investor Meeting “Analyst Day” for Institutional Investors and Analysts**  
**Q&A Summary**

Date: September 11, 2017 9:00 - 12:00

Participants: Seiji Inagaki, President and Representative Director, Dai-ichi Life Holdings, Inc.  
(the “Company”)  
Shigeo Tsuyuki, Representative Director, Vice Chairman  
Ungyong Shu, Outside Director (Audit and Supervisory Committee Member)  
Tatsusaburo Yamamoto, Managing Executive Officer  
Toshiaki Sumino, Executive Officer, Chief of Corporate Planning Unit  
Richard Bielen, President and Chief Executive Officer,  
Protective Life Corporation  
Steven Walker, Chief Financial Officer  
Kent Griffin, Chief Financial Officer, TAL

**< Product Strategy >**

**Q1: In planning your product strategy that includes pricing, do you set a specific target for new business margin? Also, could you share your product strategy in facing the revision to the standard life table anticipated for next April?**

A1: We do not have a specific target for new business margin. However, we are monitoring whether we are generating higher return than the cost of capital. As for the revision to the standard life table, we believe that we will be able to maintain margin levels through added-value propositions through Dai-ichi Life’s face-to-face consultation by its Total Life Plan Designers. (Inagaki)

**Q2: When the standard assumed rate of return was revised this April, you lowered your assumed rate of return but not as much as your peers. What was the benefit of that? In addition, the standard life table will be revised next April. Based on your previous revision experience, what will be your pricing strategy, particularly for third-sector products?**

A2: In setting insurance premiums, multiple factors need to be taken into account besides assumed rate of return, such as loading. Even though the response to the revised standard assumed rate of return was different from one company to another, if you take total return on annuities for example, there was not a significant difference between each company.

Speaking of third-sector products, I believe each company will apply different pricing reflecting their own characteristics. I am not able to comment on our approach at this point in time though. (Inagaki)

< Governance >

**Q3: What do you think is a difference in terms of governance structure between Japan and the United States?**

A3: I do not think that it is fundamentally important to try to see the differences in the governance structure between Japan and the United States. What is important is how governance is put into practice. In other words, it is important to see if management is committed to the creation of value and the governance structure would simply serve as a framework. Corporate value relates to various stakeholders. Some may consider that value for customers should be placed higher than value for employees. In any case, ultimately achieving improvement of shareholder value should come first and it is important that the board is committed to that. (Shu)

**Q4: As an outside director who represents shareholders, do you think the role of the board is utilized in full? What would be needed to be improved from a mid- to long-term perspective?**

A4: As the Company shifted to a holding company structure with an audit and supervisory committee, the opinion of the outside directors has been utilized and the responsibility to the stakeholders of the Company have been identified and fulfilled. In that sense, the Company remains fully committed to corporate value creation. Looking at the foundation of our business, we have about 10 million policyholders. It takes time for the Company to create value through offering added-value products and services to those policyholders. So during the course of the business, it is critical to constantly have discussions on whether current strategic options and usage of capital are appropriate. (Shu)

**Q5: At the end of March 2017, you announced that you made some changes to the definition of profits that would be the base for shareholder returns. What is your view on that as an outside director?**

A5: In my view, the rationale behind the modification to the definition of profits, which is essentially the source of shareholder value, was to clarify how we think about shareholder returns. I believe that it is critical to report the KPI with consistency. I understand that the Company explained how the new KPI is related and linked to the traditional KPI and the difference after the modification. (Shu)

**Q6: Compared to financial institutions in Japan and elsewhere, Dai-ichi's remuneration levels and incentives for top management are low. Is there anything you are discussing with regards to incentives for top management?**

A6: At the Board of Directors meeting and the Remuneration Advisory Committee, we have been engaged in active discussions with regards to remuneration of management members. We have been conducting benchmarking exercises within Japan and globally. As a result of the benchmarking, we have made some modifications in relatively modest areas. Currently, in respective markets, compensation is determined appropriately given the local market practices. The business domain is now global and the talent universe is becoming more globalized. More than ever before, we need to reconstruct our appraisal system from a more global perspective. It is not the case, however, that the higher the compensation, the better. We consider compensation as one of the means for attracting talent. In addition to financial value, it is important to consider what other values we can bring to those people. (Shu)

**Q7: What phase do you think Dai-ichi Life is at in terms of the evolution of management?**

A7: Following its demutualization and IPO in 2010, the Company has established a certain business foundation in the global arena. It is critical that the Company demonstrates outstanding performance in the core domestic market and stand out in order to continue to succeed globally. (Shu)

**Q8: From the perspective of an outside director, how do you view interest rate risks?**

A8: While we utilize our enterprise risk management framework, the Board of Directors share the interest rate risk as a major risk to the Company. While the Company has been taking appropriate interest rate risk control measures such as swap options, the Company still faces difficult strategic options to take, particularly given the current historically low interest rate environment. We need to continue to monitor how the interest rate environment could change and deal with the situation carefully. (Shu)

**Q9: How would you like to design your global governance structure going forward? How will you utilize the insights of outside directors or will you have global talent participate in the management of the group?**

A9: Now that roughly 30% of profit comes from overseas, it is important to plan how the Company implements diversity in the Board of Directors in accordance with the change in our business mix. We established Advisory Boards, which is a supporting organization for the Board of Directors, and invites external experts to advise on overall management.

(Inagaki)

Currently, the leaders of overseas subsidiaries and regional headquarters are appointed as executive officers. Under the current structure, they are essentially participating in management. Also, we put a structure in place so that leaders of overseas businesses can gather to share business strategies. We are considering the implementation of a new structure so that overseas management level personnel can participate in the management of the entire global business. (Tsuyuki)

**< Overseas Life Insurance Business (TAL) >**

**Q10: What kind of support did Dai-ichi Life provide so that TAL could achieve high growth?**

A10: Currently, TAL has high presence in the protection-market in Australia. It is fair to say that this would have not been possible without the support from Dai-ichi Life since the period of high growth with deployment of capital through preferred stock to Dai-ichi of several million Australian Dollars. I expect our growth in the future to likely be more modest but we will contribute to the Dai-ichi Life Group though solid growth going forward. (Griffin)

**Q11: MS&AD Insurance Group Holdings, Inc. announced an investment in Challenger Limited and there is active M&A activity in the Australian market. Is industry reorganization in progress and could it impact TAL's business strategy? Is there any change in the competitive landscape?**

A11: Since Challenger Limited's business model is very different from that of TAL, I expect no direct impact to TAL from this transaction. In the Australian life insurance industry, several large financial groups are involved in reorganization of the market and TAL is closely observing the move. In the next few years, we expect the number of domestic Australian life players to diminish and the landscape to be dominated by multinational insurance groups that bring expertise, financial power and leading edge technology. (Griffin)

**Q12: The penetration of life insurance in Australia has become very high. Going forward, what are the areas of focus for you to grow?**

A12: In Australia, there is a high degree of penetration in terms of mortality and permanent disability coverage. There is less penetration in terms of income protection benefit. And as we will see the Australian population age and retirees look for ways to build and protect their savings, income protection area still remains an opportunity for us. Many Australians receive life insurance coverage through default superannuation. More than three quarters of our customers is through group insurance schemes. Also, to have life insurance and health

insurance product propositions to come together over time is something that we are exploring and offers a great amount of opportunity. TAL is in a very strong position to work with our group scheme partners who are big players in this market and we are looking at ways to build on that opportunity. (Griffin)

**Q13: Inter-group dividend paid from TAL to Dai-ichi Life Holdings is not significant in size just yet. When can we expect a more significant cash contribution from TAL to Dai-ichi Life Holdings?**

A13: I am not in the position to provide you with a specific cash flow forecast. It has been an important evolution for TAL over the last two to three years where we have moved into a situation where we are positively generating cash flow and this enables us to pay dividends to the group. We expect those dividends for the group to increase over time and we are conscious of Dai-ichi Life commitments in terms of dividends as a percentage of earnings and we are working towards a similar target. (Griffin)

TAL has primarily contributed to the group through preferred stock dividends. TAL has grown to cash in on economy of scale and we are discussing internally options including increased cash dividends on common stock. (Sumino)

**< Overseas Life Insurance Business (Protective) >**

**Q14: Protective made two acquisitions in 2016. Are you ready to implement another acquisition? What opportunities are becoming available?**

A14: We are ready to execute another transaction if the opportunity comes along. The previous two transactions have gone very smoothly so there is no issue with respect to the next one. As you have seen in the competitive landscape, there have been a number of announcements from large companies on spinoffs. It reflects a change of thinking in many of the U.S. companies about what their priority is or which businesses they may see. There are some that want to focus on asset management. There are some that may decide that certain businesses are not strategic to their future. As a result, I would expect that we will continue to see opportunities coming forward as managements reevaluate their long-term strategic advantage. (Bielen)

**Q15: In the United States, I believe that the discussions on fiduciary duty regulations have been wavering. Could you update us on this as well as any potential change on capital regulations in the U.S.?**

A15: If fiduciary duty rules are tightened, we will be forced to move from a commission-based (sales commission applied to each individual product) model to a fee-based (a fee that is not

affected by individual transactions) model and the primary impact of that is in the sale of annuities. The government has deferred the implementation of the rule but the disruption is already in place and many of the distributors are moving towards a fee-based model from commissions. With respect to the capital changes, I do not believe they will have a material impact on the industry and I do not think it will move our capital ratios very much. Many of the rating agencies already have their own capital models and I think the industry has already incorporated the impact. (Bielen)

**Q16: If you do not come across a good acquisition opportunity, how do you intend to manage your excess capital? What kind of capital management discipline do you intend to implement such as hurdle rates in terms of ROI or ROE?**

A16: For competitive reasons, I cannot disclose our hurdle rates. As we continue to look for opportunities in the future, we are looking at hurdle rates that are consistent with our historic levels. (Bielen)

There is an abundance of M&A opportunities available in the U.S. and we believe that Protective in the U.S. is a very important growth driver. Of course if we see changes in the environment, we could review our capital deployment plan but at the moment, we have full confidence in Protective's capacity and I am sure that they will be able to effectively leverage and deploy the capital through M&A opportunities. (Sumino)

**Q17: You mentioned that Dai-ichi Life has the ability to keep the pace of M&A decision making in line with the pace that you had before joining the Dai-ichi Life Group. I am curious to know what makes quick decision making possible.**

A17: Immediately after the acquisition agreement in June 2014, Dai-ichi Life and Protective already started to go through the process of understanding the operating principles of the acquisition business and the decision mechanisms. The responsive communication between the United States and Japan (local management team, liaisons, North American regional headquarters and Group headquarters) and the clear definition of authority set at the time of the acquisition makes quick decision making possible. (Bielen)

**Q18: For policies obtained through M&A, could you provide us with a breakdown of policies by transaction and their profit contribution? Also, how long is the duration of these policies and their profit pattern?**

A18: I cannot give you a breakdown by each transaction. For the retail organic side, we write approximately 100 thousand new policies per year through our tradition distribution channel. On the acquisition side, when we did the Genworth transaction, there were approximately

260 to 270 thousand policyholders that we obtained at the one-time. If you go back to the Chase transaction we did in 2006, approximately 900 thousand policies came into the organization at the one-time so it really gives an opportunity for many policyholders to be serviced by Protective though those acquisitions. With respect to the duration of the business, I cannot give you that break down because there are lots of mixes of business. There are various types of policies, some have long tails and some have shorter tails. I would tell you the MONY business acquired in 2013 has a longer duration than the Genworth business. (Bielen)

**Q19: With regards to utilization of technology at Protective, what are the new technologies that will help to grow your top line?**

A19: We have spent a lot of time with people in Silicon Valley trying to evaluate medical records and looking for ways to utilize technology in underwriting and customer experience processes to make them more streamlined and efficient. In the United States, it takes about eight to ten weeks to issue a policy and from the time we start and to the time we finish, we lose maybe 30% of those policyholders. Technology can be effective in closing sales and can make it possible to secure more policies. (Bielen)

**Q20: With regards to selecting favorable M&A opportunities, do you think there is any way Protective's expertise can be applied to Dai-ichi Life?**

A20: The strength that Protective has in M&A is that their area of expertise is clear and they specialize in it. The Dai-ichi Life Group utilizes Protective's platform for M&A transactions in the United States. In Asia, based on the experience with TAL, we are mainly engaged in fields of our expertise. (Shu)

#### < Protective Life's Results >

**Q21: What are your views on M&A opportunities in Japan and elsewhere?**

A21: In Japan, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life cover almost all of the addressable domestic markets. Going forward, unless there are no emerging markets, we will stick to these three brands. Outside of Japan, we would like to expand the expertise of Dai-ichi Life Vietnam to neighboring countries like Cambodia and Myanmar where we have representative offices. (Inagaki)

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

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