

(Unofficial Translation)
Special IR Meeting (Sustainability)
Q&A Summary

Date: January 18, 2024 14:00-15:50 (JST)
Respondent: **Dai-ichi Life Holdings, Inc. (the “Company”)**
Hidehiko Sogano, Director, Managing Executive Officer (CSuO),
Taisuke Nishimura, Executive Officer (CFO),
Yotaro Numata, Executive Officer,
Akifumi Kai, Executive Officer,
Yuriko Inoue, Outside Director,
Ungyong Shu, Outside Director
(Audit and Supervisory Committee Member),
Yasushi Shingai, Outside Director,
Bruce Miller, Outside Director,

The Dai-ichi Life Insurance Company, Limited
Kazuyuki Shigemoto, Managing Executive Officer

Governance

Q I understand that HD has expanded the CxO system and separated the heads of HD and DL. A misconduct at another company that has adopted CxO system has been attracting attention, and the issue is whether the holding company was appropriately supervising, checking, guiding, and supporting its core domestic subsidiary, which accounts for a large weight of business in the group. In reality, holding companies do not have the same compliance and risk management functions as insurance companies, and looking overseas, there are groups such as Berkshire Hathaway, where the holding company has little or no governance function and only makes investments. What is the Dai-ichi Life Group's view on the role of HD and its relationship with its major insurance subsidiaries?

A At least in 2019, when I became an outside director, outside directors were aware of the challenge of not having a high enough level of transparency in business, execution of executive duties, compliance, and risks at DL, which account for a large weight in the group. In order to increase this transparency, it is important to have group governance that is consistent across the group in several areas. For example, it is vital how to manage the three lines of defense by HD and how to share information on the three lines of defense between HD and DL. In the past, it was sometimes difficult to obtain information, but the appointment

of an outside director as the chair of the Audit & Supervisory Committee and the start of information sharing with the Audit and Supervisory Board of each major subsidiary and hearings from officers of major subsidiaries were major turning points in improving group governance. It is important that three lines of defense which is crucial from the HD perspective is effective in major subsidiaries, to implement it across each subsidiary on the same level, and to appoint an officer who can lead that in HD. This is the reason why we invited Mr. Coates to the position of Chief Compliance Officer. Although still in the process of development, transparency has improved considerably. In addition, since the views seen by the top executives of HD differ from the views seen by those at the frontlines of each company, it is necessary to have a system and corporate culture in which bad information is reported and provided in the subsidiary and HD as quickly as possible in order to make appropriate judgments. (Shingai)

Q As the Board of Directors discusses the next mid-term management plan, please tell us if there have been any notable changes in the discussion agenda compared to when the current mid-term management plan was discussed three years ago.

A The discussion of the next medium-term management plan differs significantly from the previous one in that it discusses what we should do now, backcasting from where we want to be in 2030. In the previous discussion, a large part of the discussion was devoted to market-related risk reduction. In the current discussion, through the backcast after clarifying the ideal state of the business, we are considering responses to the issues on domestic and overseas operations, business risk, market-related risk, sustainability, HR issues, and so on. (Shingai) In the previous discussion, emphasis was placed on the pros and cons of capital circulation management. The current discussion is characterized by the fact that it is considered a given premise that capital should be invested preferentially in areas with high capital efficiency, and that the discussion is now focused on the specific direction that the Company should aim for over the long term, such as the next 10 years. In addition, global strategy has been a high priority area in the past, as well as the domestic protection business, but in addition to this, the current discussion specifically discusses areas where we would provide value to customers outside of the domestic protection business. Furthermore, although each operating company such as DL and DFL is responsible for such business, one of the differences from the previous discussion is that these issues are now being discussed thoroughly at the HD level, rather than being left to the formulation of strategies and plans at the subsidiary level. (Shu)

The previous discussion focused on financial aspects, such as redefining the cost of capital as the basis for capital circulation management, capital efficient business, and reducing market-

related risk. In the current discussion, based on this basic premise, management and business strategies are being developed with a view to the value we will provide 10 years into the future. In other words, we recognize that the base was established in the previous discussion, and we stepped into the phase to discuss the concrete contents in this time. (Inoue)

Q I understand that your explanation is that the amount of cross-shareholdings is small, but I am curious as to whether this is true even under a modern interpretation. There has been some discussion in the non-life insurance industry that cross-shareholdings may have been one of the sources of unfair competition. With the environment changing so dramatically, what are the arguments being made from a supervisory standpoint?

A The HD Board of Directors is aware of the trends that you have pointed out, and is focusing on this theme. HD is also discussing directly with DL's investment department whether the equity investments at DL are performing well in terms of investment return as those held for pure investment purpose. For stocks that are not desirable to be held for pure investment purpose, the investment departments at DL are taking appropriate measures to deal with them. Although some stocks are associated with a business relationship while the starting point to invest is for pure investment purpose, HD and DL have been discussing whether they can ensure appropriate accountability as those held for pure investment purpose. (Shu)

We had exhaustive discussions on this matter when we formulated the current mid-term management plan. It is true that there were times when we made investments that we considered to be pure investments, but the investees did not recognize them as such. If the investment did not meet the profile required as a pure investment, we discussed the need to take appropriate action from the perspective of market-related risk reduction, which is a major theme in the current mid-term management plan. As a result, although the impact on the insurance business has not been completely zero, efforts have been made to reduce market-related risk as the client-relationship teams have persistently engaged in conversation with investees. (Shingai)

Q You mentioned that there was a discussion about whether the ratio of outside directors should be the majority. What would change and increase corporate value if the ratio became more than half?

A When I explained governance today, I said that we would select a good executive management team and continuously enhance corporate value over time through the involvement needed, but the involvement needed depends on the state of the Company at each stage. At the time of my appointment as outside director in 2019, there was advanced discussion among outside directors, but I feel that there is a room for improvement to convey

it through the dialogue with the executives. At that point, as outside directors, we consider that it is one of the options to change the structure, such as to make the ratio of outside directors more than half, as well as to select the chair from outside directors. On the other hand, as we considered how to appoint outside directors and the composition of each committee, there has been a generational shift in the executive management team, and we are getting to the point where we can have an effective discussion. Therefore, at this point, I cannot say with certainty that the number of outside directors should be in the majority, and I do not think that making the ratio more than half or having the chair as an outside director will necessarily make a significant contribution to increasing corporate value. (Shingai)

Sustainability Management

Q Of the "Corporate governance management and anti-corruption" placed in the most important position in the materiality map (Ref. P33), what does "anti-corruption" mean?

A The fact that anti-corruption is positioned as a top priority is an indication that governance is fundamentally the most important aspect of the Company. The phrase "Corporate governance management and anti-corruption" is an all-encompassing expression that includes checking every aspect of governance, not only in terms of structure, but also the substance, operation, etc. to ensure that it is not malfunctioning and correcting any deficiencies that are found. (Sogano)

Climate Change, Nature, Responsible Investment

Q With the withdrawal of major non-life insurers from the Net-Zero Insurance Alliance last year and the possibility of a Republican victory in this year's US presidential election, I think we are now in a situation where promoting net zero is not necessarily the optimal solution. Under these circumstances, has there been any change in the Company's stance in promoting the realization of net zero?

A We are well aware that there is a debate in the US as you have pointed out. However, I recognize that the major trend of steadily moving toward net zero has not changed as a global trend, including in the US. In my own dialogues with US financial institutions, they do not have intention to stop aiming for net zero against the backdrop of increased political risk. Of course, they do not want to be involved in unnecessary political friction from each company's standpoint, hence some financial institutions withdrew from the Net-Zero Insurance Alliance. However, from what we have heard directly from the heads of the financial institutions that withdrew from the alliance, it does not seem that they will change their actions toward net zero in spite of their withdrawal. We will not be changing the direction of our effort. (Sogano)

Q I am aware that KPIs for the TNFD (Taskforce on Nature-related Financial Disclosures) response are more diverse than those for the TCFD (Task Force on Climate-Related Financial Disclosures) response. In what areas of practice do you intend to reflect the concept of natural capital, or what KPIs do you intend to look at in responsible investment?

A We recognize that the issues related to natural capital are complex in many ways and are extremely challenging compared to climate change. We understand that now is the phase that companies are encouraged to participate in the TNFD. We believe that it is hoped that the participation of financial institutions taking the initiative will expand their encouragement to industrial sectors. Therefore, like other financial institutions, we have not yet set firm quantitative targets, but we will examine what we can do in this stage in 2024 or 2025. Specifically, we are in the process of analyzing the relationship between each industrial sector's impact on and dependence on nature-related areas, how this relationship is considering location, and how the investees are related. We believe that other companies that are advanced in the world are still in a similar phase, but at first we believe it is important to show our stance to tackling the issues. (Sogano)

Q Regarding engagement with investees, the "Disclosure of roadmap toward net zero" (Ref. P22) shows that while disclosures have progressed over time, there are some areas where it is becoming more difficult for the top GHG emitters to respond toward 2030; In other words, the gap between targets and reality is emerging. What are your thoughts on possible escalations when the gap gets bigger?

A There have been some reports that even the total of the reduction targets of companies participating in the GX League have not reached the 2030 reduction target of the Government of Japan. The reality is that 16 of the 50 top emitters of DL's investment portfolio have yet to set interim targets, and I believe you are referring to this as a gap. We will continue to engage with the 16 companies to encourage them to set and disclose interim targets consistent with the Government of Japan's reduction targets. As for escalation, we are not an activist, then we are not planning to communicate anything in public. We will persistently pursue engagement with management. In fact, when goals have been set on an individual company basis, it usually takes 3-4 years for them to achieve them, and we will engage them thoroughly during that period. However, if they do not respond at all, we consider if it is appropriate for us to invest in such a company. (Shigemoto)

Human Capital Management Strategy

Q While there are various perspectives such as gender, nationality, age, etc., what do you think the Dai-ichi Life Group's optimal composition ratio with respect to DE&I and human capital portfolio is, and what efforts are being made to achieve that?

A We do not plan to have targets such as gender ratios as a whole group. The context is that the group operates in 10 countries, including Japan, but the degree of diversity promotion differs from country to country, and in the US, it is difficult to set a target itself. However, we are making efforts to promote DE&I as the group. For example, we are promoting DE&I through group-wide DE&I events, and are building a diverse human capital portfolio. On the other hand, on a country-by-country basis, as gender diversity is not advanced in Japan, we have set targets of 30% women at the executive level and organization head level. These are the targets only in Japan, and no numerical targets have been set at the global level. (Numata)

There is no need to set targets, but I don't think change will occur without efforts to promote DE&I. In that sense, I think the Company's efforts and plans are being made. Regarding gender, I think that the target should be to achieve a ratio of 30%, 40%, etc. of female leaders, rather than a level of one or two female leaders. For example, at TAL, three of the eight executive members under the CEO are women. (Miller)

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, TAL: Australia TAL,

【Disclaimer】

The information in this material is subject to change without prior notice. Neither this material nor any of its contents may be disclosed or used by any other party for any other purpose without the prior written consent of the Company.

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements may include – but are not limited to – words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” “possibility” and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements are based on judgments made by the Company’s management based on information that is currently available to it and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.