

Dai-ichi Life Group Strategic Update

March 29, 2024

Dai-ichi Life Holdings, Inc.



Dai-ichi Life
Holdings



Table of Contents

①	Review of the Previous MTP	p.3
②	Current Business Environment	p.9
③	Vision for 2030	p.13
④	The New MTP	p.18

Table of Contents

1

Review of the Previous MTP

Re-connect 2023

ステークホルダーとの接点・つながり方を抜本的に見直し、「再度、より良い形でつながり直す」
グループ全従業員が価値観を共有し、共鳴しあいが改革を遂げるために「改めて結束を強める」

**持続的な成長基盤の確保に向けて、
強い決意をもって変革に挑戦する3年間**

主要経営指標(KPI)	中期経営計画(2023年度)目標水準	中期計画の方向性
資本効率(会計利益)	グループROE (9%未満を目標)	8%確保 (2023年度目標) / 9%確保 (2026年度目標)
資本効率(経済価値)	グループROEV	中期的に目標を変えて、平均8%確保 (2026年度目標)
リスクプロファイル管理	市場価値/リスク削減 (5%以上を目標)	リスク削減額5,200億円 (金利・株式リスク約20%削減) / 追加全リスク削減額2,800億円 (~20年率・21/3年・累計約8,000億円)
財務健全性(経済価値)	資本充足率(CAR)	中期的に170~200%水準の充足確保 金融市場感応度の相減
利益確保	グループ総利益	増収シフト 2,500~2,800億円増収 / 中期計画内、中期計画での増収目標を達成 2023年度目標2026年度目標の差額を埋め合わせる

お客さま満足度の向上	NPS(顧客満足度) 国内のみならず	NPS(顧客満足度) 生命: 改善を継続(国内市場合計)	国内トップ水準 (2026年度目標) 約1,000万人
事業生産性の向上	生産性改善 人財の質の向上	固定費削減(生命): 人財の転換シフト	約1,300億円 (2026年度目標) 3,100人増

既存の保険事業セグメントにおける競争優位性の強化

Q&S(品質)指標 KPI

[国内のみならず]
約1,000万人
(20/34:約500万人)

[お客さま満足度(NPS等)]
業界トップ水準

**新たな組織能力の獲得による
イノベーション・競争優位性の拡大**

保険

- ▶ お客さま一人ひとりの多様なニーズに対応する「カスタム」保険サービスを実現し、商品開発・商品提供プロセスの強化(デジタル化等)
- ▶ 社会課題の解決に貢献する「インパクト」保険商品の開発・提供(社会インパクト投資等)
- ▶ 顧客を真のパートナーとして「ライフプラン」を共に実現する「ライフプラン」の提供(ライフプランの提供)
- ▶ 顧客のライフプランを実現するための「ライフプラン」の提供(ライフプランの提供)

健康・医療

- ▶ 介護・医療との連携を強化し、予防・予防ケアの提供(「予防ケア」の提供による健康増進等)

資源形成・確保

- ▶ グループの強み(資本・技術・人材)を活かした、新たな事業領域への参入(デジタル・ヘルスケア等)

健康・医療分野への参入

- ・ 介護・医療分野への参入(介護・医療)
- ・ 介護・医療分野への参入(介護・医療)
- ・ 介護・医療分野への参入(介護・医療)

つながりの強

- ▶ 持続的な社会や事業への貢献に向けた取り組みを通じ、お客さまとの新たな接点・信頼関係を創出



Review of the Previous MTP (KPI)

- ▶ While the KPIs for the previous MTP (Re-connect 2023) are expected to be mostly achieved at the target levels for the end of FY2023, VNB, a leading indicator for future insurance profits, has been stagnant, and efforts to reform the domestic sales rep channel are halfway through

	Target level in the previous MTP		Results / Forecasts		
	FY2023	Around FY2026	FY2021	FY2022	FY2023
Adjusted ROE (Based on Adjusted Profit)	ca. 8%	ca. 9%	8.0%	5.0%	ca. 8.0%
ROEV	Medium-Term Target: ca. average 8%		4.9%	3.9%	7.6% ⁽⁴⁾ (before annualized)
Market Risk Reduction⁽¹⁾ (Interest rate risk and equity risk vs Mar. 2021)	Risk Reduction ¥560bn (Equivalent to ca. 20%)	Risk Reduction ¥260bn (Total of ca. ¥820bn from Mar. 2021)	¥(390.0bn)	¥(530.0bn)	¥(710.0bn)
Economic Solvency Ratio	Maintain a stable level of 170% to 200% in the mid to long-term		227%	226%	222% ⁽⁵⁾
Relative TSR (Total Shareholder Return)	Build a Relative Advantage in comparison with 10 domestic and overseas peers		#2	#4	#4 ⁽⁶⁾
Adjusted Profit	ca. ¥250bn to ¥280bn		¥296.1bn	¥184.4bn	¥270.0bn
Reference: VNB⁽²⁾			¥98.6bn	¥71.2bn	ca. ¥25.0bn ⁽⁷⁾
NPS[®] ⁽³⁾ (Net Promoter Score of DL)			Middle-level (slightly improved) ca. 13.85m ppl		
Number of Customers			Top Level in Japan total 15m ppl		
Fixed Cost Reduction (DL) Strategic talents shift			ca. ¥(33.0bn) (vs FY2020) ca. 3,300 ppl		
			¥(6.7bn) ⁽⁸⁾ 643 ppl		
			¥(11.9bn) ⁽⁸⁾		

Dai-ichi Life
HoldingsDomestic
Business

(1) Excluding market factors, etc. (2) Prior year amounts are retroactively restated to reflect the misstatement of VNB that were discovered in September 2023

(3) NPS[®] is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. (4) Result of H1 FY2023 (5) As of Dec. 2023 (6) As of March 27, 2024 (7) Based on disclosure on November 14, 2023 (8) Cumulative total



Review of the Previous MTP (Financial and Capital Strategy)

- ▶ Despite progress in efforts to improve capital efficiency through reduction of beta by reducing market-related risks and promotion of capital circulation management, including large-scale share buybacks, capital efficiency remains below the CoC (Cost of Capital)

Key Initiatives in the Previous MTP

Drastically improve capital efficiency by mainly reducing market related risks

Achievements

Progress has been made in reducing market risk, and beta, a source of CoC, has been steadily reduced

(In particular, interest rate risk reduced at a pace exceeding the target through accumulation of long-term bonds and reinsurance ceded)

Challenges

Steady decline in CoC over the MTP period, but the equity risk remains high (The market value of stock holdings increased toward the end of the fiscal year. Downward pressure on capital efficiency due to increase in net assets)

Strike a balance between disciplined capital allocation and strong shareholder payouts

Achievements

Have promoted capital circulation management through both capital shift to growth markets and high total payout ratio

(Cash generated by increasing remittances from a mature market was used for strategic investments and shareholder payouts)

Challenges

The dividend yield is relatively subordinated by the rise in the stock price, and there is room for improvement in the balance between share buybacks and cash dividends

(Despite the high total payout ratio, the dividend yield is below 3%, inferior to peers)



Review of the Previous MTP (Domestic Business)

- ▶ Although some progress has been made in efforts to expand the experiential value area and transform the sales rep channel to transform the domestic business model, it took time for new operations to take root, and then DL's new business performance has been sluggish

Key Initiatives in the Previous MTP

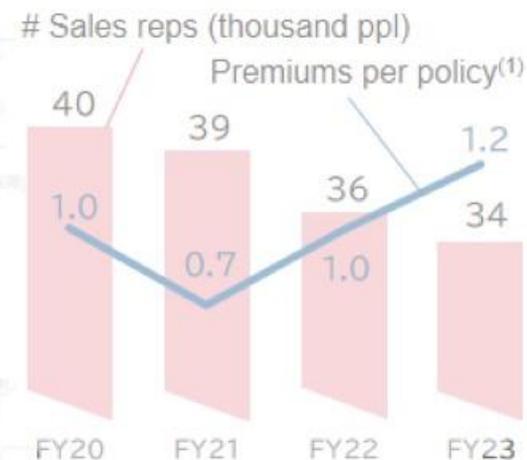
Structural reform of the sales rep channel and raise efficiency

Achievements

The sales rep channel has shifted from “quantity” to “quality”
(Higher productivity per sales rep resulting from moving away from traditional scale-chasing operations)

Challenges

DL's new business performance has been sluggish
(The new hiring and training process took time to take root, and number of sales reps fell below expectations)



Domestic business model transformation and CX boost by leveraging four experiential values

Achievements

Have expanded the experiential value area
(e.g., Launched asset formation platform and expanded business areas to pet insurance and employee benefit services)

Challenges

Efforts to establish OMO (Online Merges with Offline) are halfway through
(Touchpoint opportunities have increased, but there are challenges on the path to creating leads and monetizing)

Benefit one



Review of the Previous MTP (Overseas Business)

- ▶ Steady progress has been made in efforts to diversify and expand business portfolio through bolt-on acquisitions in countries where we have existing business and expansion into new regions, and in efforts to acquire organizational capabilities in the digital domain. Despite increased profit volatility due to fluctuations in the macro environment, share of overseas business in Group adj. profit has been steadily increasing

Key Initiatives in the Previous MTP

Achievements and Challenges

Increase profits
in the existing markets and
further drive business

Achievements

Improved business portfolio through bolt-on acquisitions in countries where we have existing business and entering a new region
(Acquired Westpac Life and Partners Life in Oceania, and AUL in the US)

Challenges

Volatility of profits increased due to fluctuations in the macro environment
(The rise in interest rates and the collapse of several US banks had negative impacts on PLC's profit)

Leverage DX to increase CX
and further enhance
operational efficiency

Achievements

Acquired capabilities through investments in companies with digital strengths
(Invested in and partnered with YuLife in the UK and RenewBuy in India)

Challenges

Although each subsidiary's DX efforts have made progress, the creation of group-wide achievements is still halfway through
(Localization is taking time in the horizontal development of each company's strengths)



Review of the Previous MTP (Business Foundation and Sustainability)

- ▶ Although the management structure was strengthened through the introduction and expansion of the CxO system, the appointment of outside professionals, and the establishment of the Group Sustainability Committee, there is room for improvement in hiring of digital and other specialized talents and in promotion of diversity

Key Initiatives in the Previous MTP

Group human capital strategy and group governance to support business foundation

Achievements

Strengthened the management structure through the introduction and expansion of the CxO system and the appointment of outside professional talents

(Introduced CxO system in the context of expansion of business areas including overseas: 4 out of 7 CxOs were appointed from outside)

Challenges

There is room for improvement in hiring of digital and other specialized talents and in the ratio of female executives and organization heads

(There is an industry-wide supply-demand gap for IT and digital talents. Expanding the pool of female executive candidates is also a challenge)

Promote sustainability as an entire group

Achievements

Have been included in several ESG Indexes, strengthened our sustainability promotion system, and steadily reduced GHG emissions

(CSuO and the Group Sustainability Committee were established and sustainability-related KPIs were incorporated into executive remuneration)

Challenges

Challenge in the integrated efforts of each group company with different regional characteristics

(Seek the best approach in light of changing circumstances in each country)



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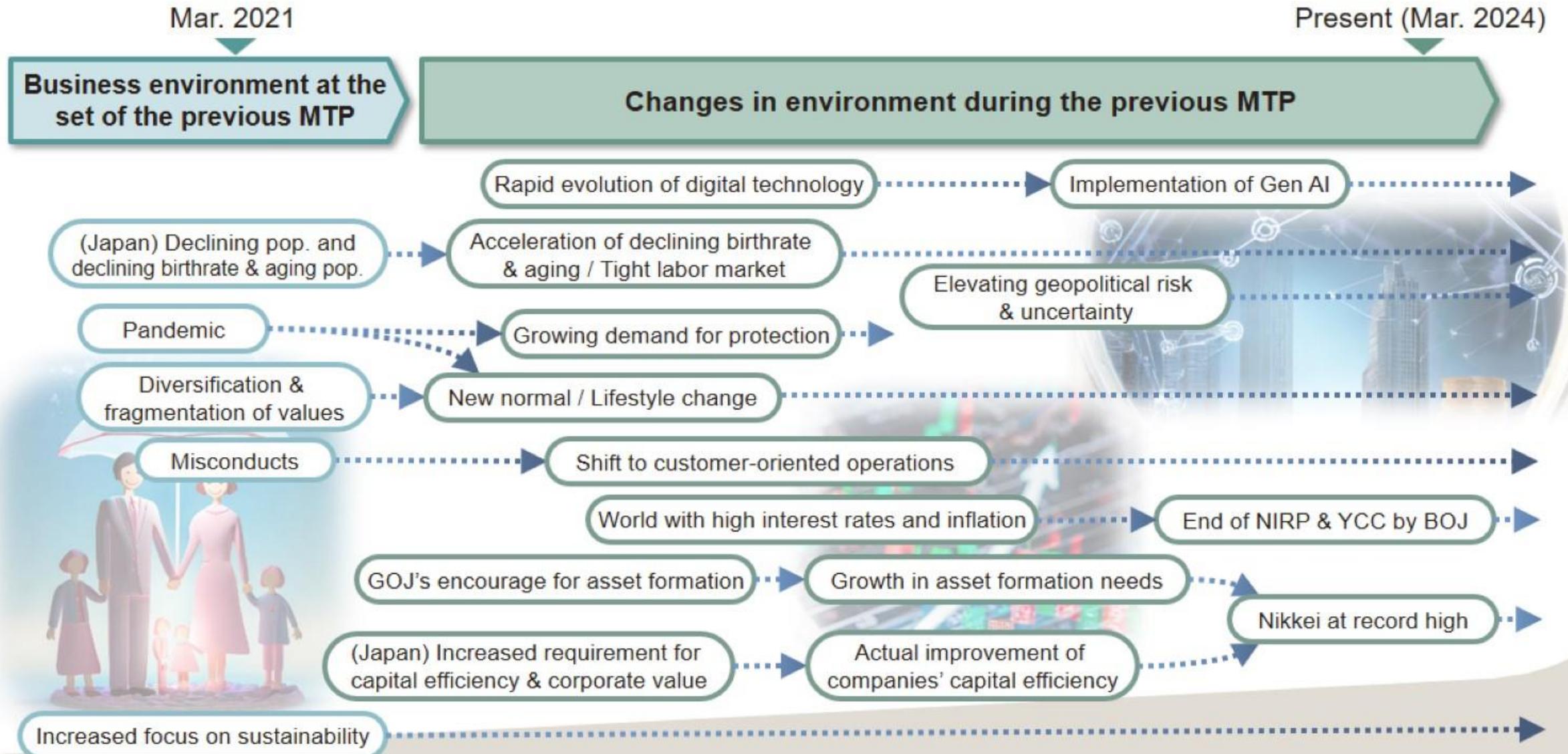
Current Business Environment





Current Business Environment

► Update business environment recognition based on changes in environment after the set of the previous MTP



Impact of Changes in Environment on Our Domestic Business & Performance

- Changes in the business environment have had a growing impact on business in Japan, including struggling sales of protection-type products, increased sales of savings-type products, COVID deemed hospitalization payments, and the need to revise the investment portfolio

(Japan) Declining pop. and declining birthrate & aging pop.

Pandemic

Diversification & fragmentation of values

Misconducts

Acceleration of declining birthrate & aging / Tight labor market

New normal / Lifestyle change

Shift to customer-oriented operations

World with high interest rates and inflation

Growing needs for asset formation

Different sales results b/w DL & DFL

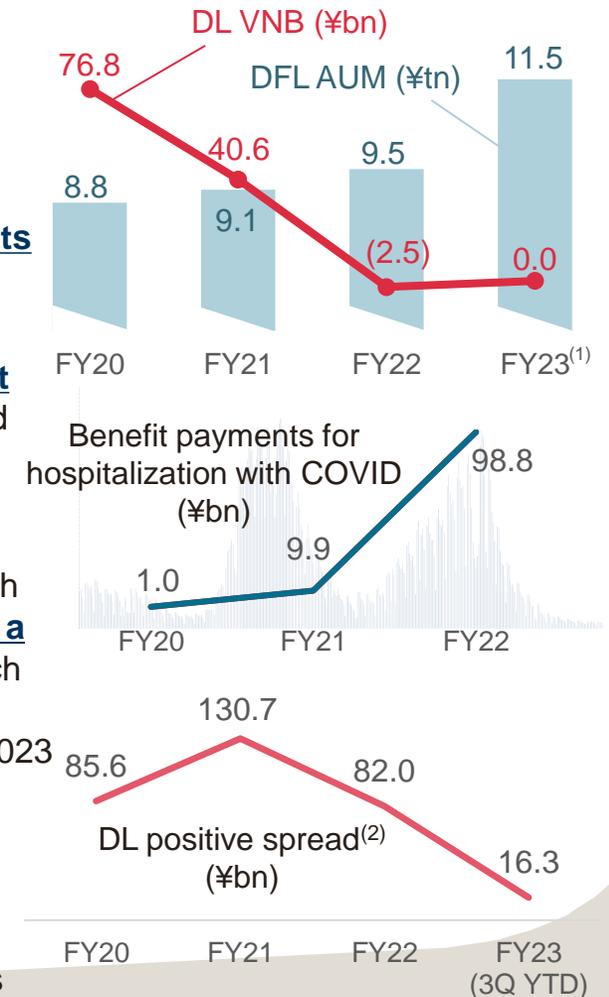
- As the pandemic made it harder to have contact with customers, we initiated reforms designed to improve the sustainability of the sales rep channel and stamp out misconducts, but **sales performance of DL own products has not recovered from the decline as expected**
- Sales & AUM of DFL, with strength in savings products, have increased significantly due to **rapid growth in asset formation needs** due to rising interest rates in Japan and overseas and the new NISA and other tailwinds

Increase in payment due to the pandemic

- Although benefit payments for deemed hospitalization with COVID surged across the industry and then we **incurred a payment of ca. ¥100bn**, we changed the handling of such cases following the reclassification under the Infectious Diseases Control Law, and the payments stopped in FY2023

Revision of investment portfolio

- **DL's positive spread⁽²⁾ decreased** resulting from higher hedging costs due to higher foreign interest rates and the resulting large reduction in hedged bonds. Equity risk has not been reduced due to higher stock prices





Impact of Changes in Environment on Our Overseas Business & Performance

- ▶ Instability in the US financial sector, changes in the financial environment, and the industry-wide impact of stricter regulations have affected the performance of each company

Pandemic

New normal / Lifestyle change

Elevating geopolitical risk & uncertainty

Shift to customer-oriented operations

World with high interest rates and inflation

Misconducts

Instability in the US financial sector

- In addition to the collapse of several US banks, the market has increasingly concerned about the default risk on US commercial mortgage loans (CMLs)
- While PLC's CMLs have been well managed and the CECL ratio has not significantly increased, it **recognized credit losses** in the H1 2023 due to the collapse of US banks

Financial environment changes directly affected each company's performance

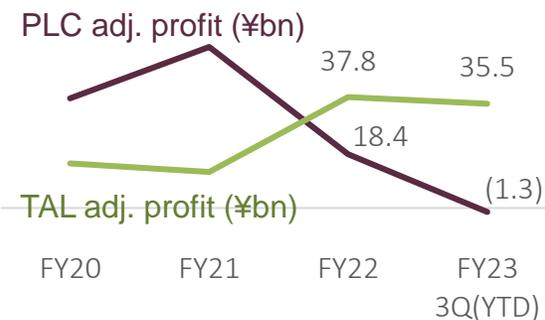
- **Noise in profits generated** as rising interest rates negatively impacted in the US and positively in Australia
- Growing economic uncertainty has led to **rapid growth in demand for fixed annuities** in the US and PLC has increased its sales as well
- The rise of PE funds focusing on life & annuity blocks **has intensified competition**, and **PLC's acquisitions activities have suffered**

Industry-wide Impact of Tighter Regulations

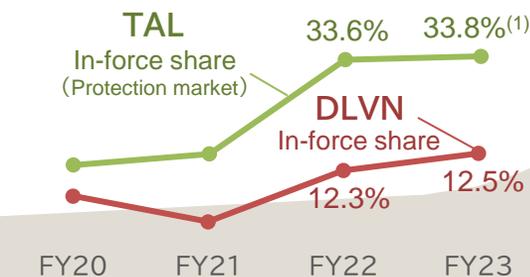
- Industry restructuring has progressed due to the tightened regulations in Australia following Royal Commissions investigation, and **TAL has solidified #1 position**
- **Regulations are being tightened in Vietnam as well. DLVN's new business performance declined due to the external environment, but market share increased**

Financial instability at US, etc.

- ✓ Collapse of:
 - Silicon Valley Bank
 - Signature Bank
 - First Republic Bank
- ✓ Write-down of Credit Suisse AT1 Bonds



In-force market share of TAL & DLVN





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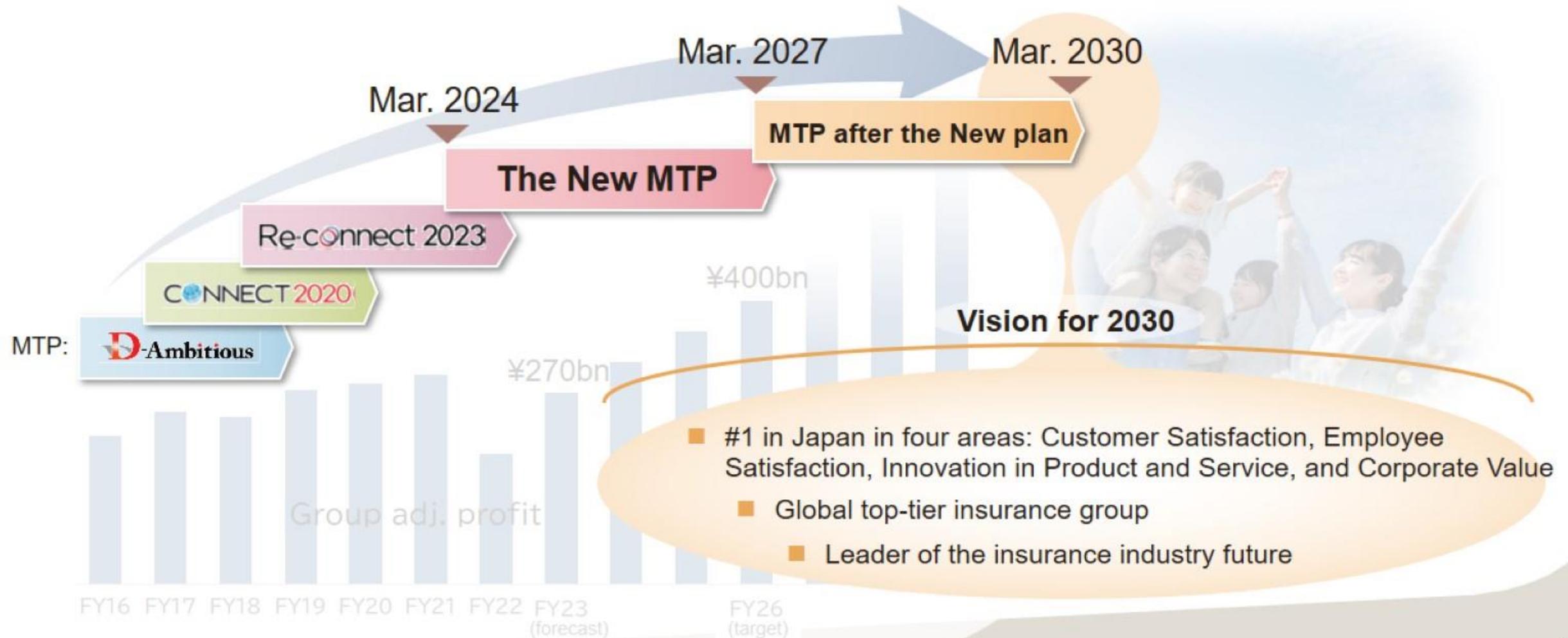
Vision for 2030





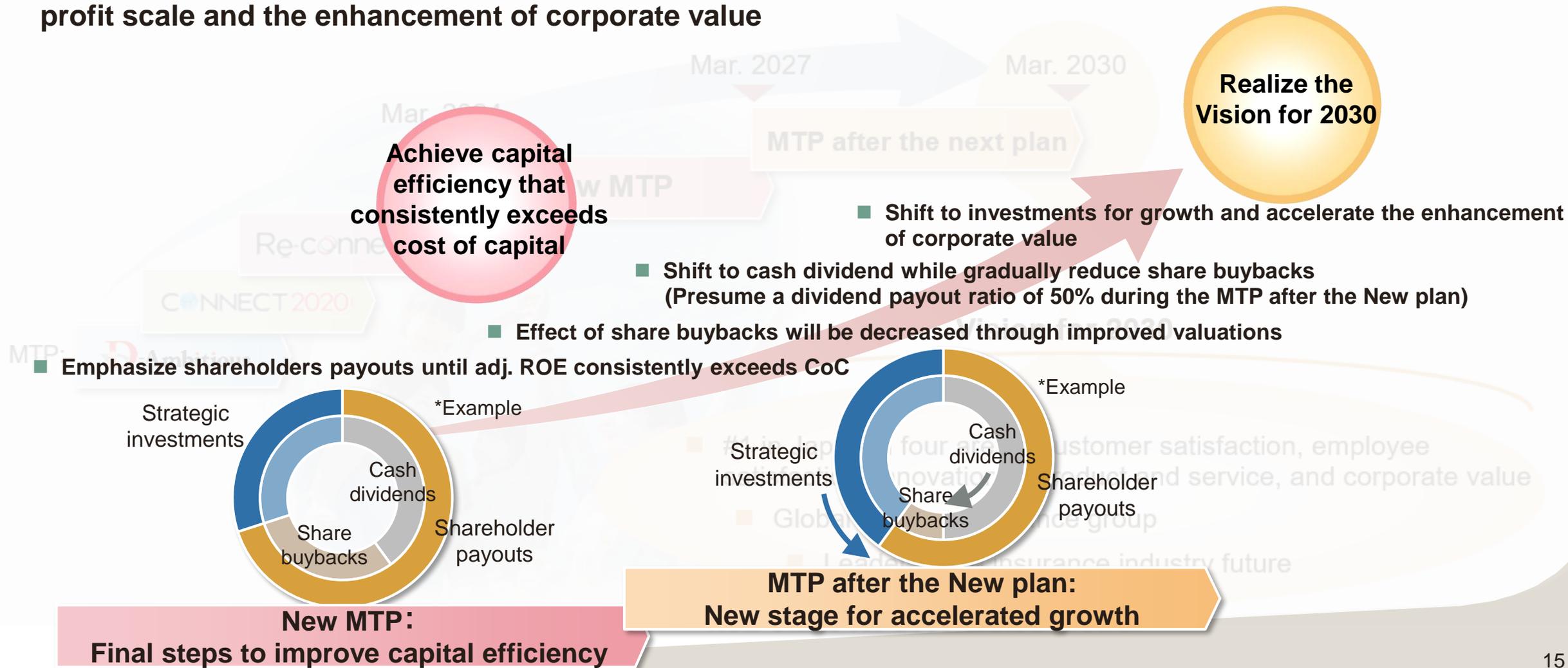
Vision for 2030

- ▶ We have defined the vision that our Group wants to achieve in 2030, which is the guideline for the new MTP to be formulated by backcasting from it



Vision for 2030

- ▶ To realize our vision for 2030, we aim to achieve capital efficiency that consistently exceeds the cost of capital by continuing to reduce market risk during the New MTP, and then gradually reduce share buybacks while raising the dividend payout ratio and shifting to investments for growth to accelerate the expansion of profit scale and the enhancement of corporate value





Establishment of Group Purpose & Values

- ▶ We have established Group Purpose and Values to embody what we want to achieve and to serve as a guideline to move forward as a group. We will shift to a new brand strategy based on them.

Purpose

Partnering with you to build
a brighter and more secure future

Values



Newly established

Transition to a brand strategy that embodies the transformation from a narrowly defined insurance business to an insurance-related service business to realize Purpose (Consider rebranding as an option)

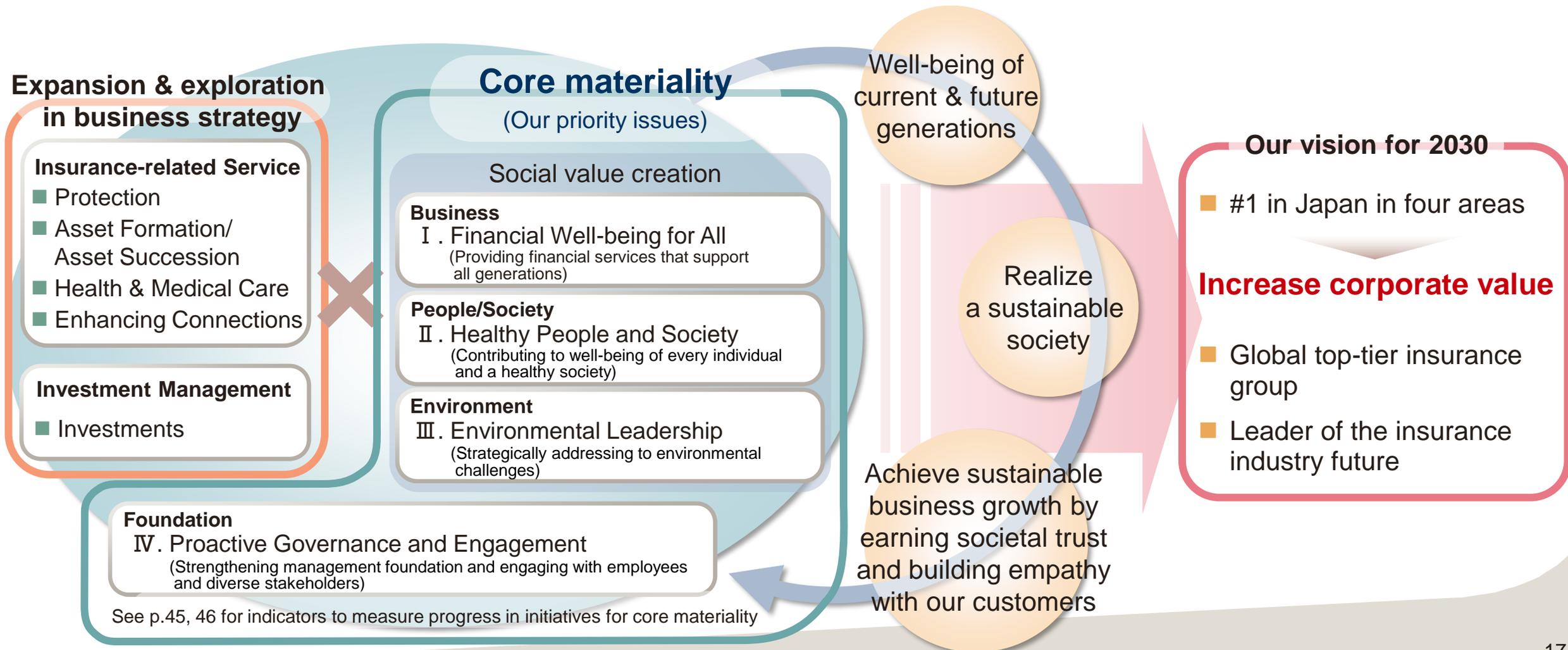
Brand Message

By your side, for life



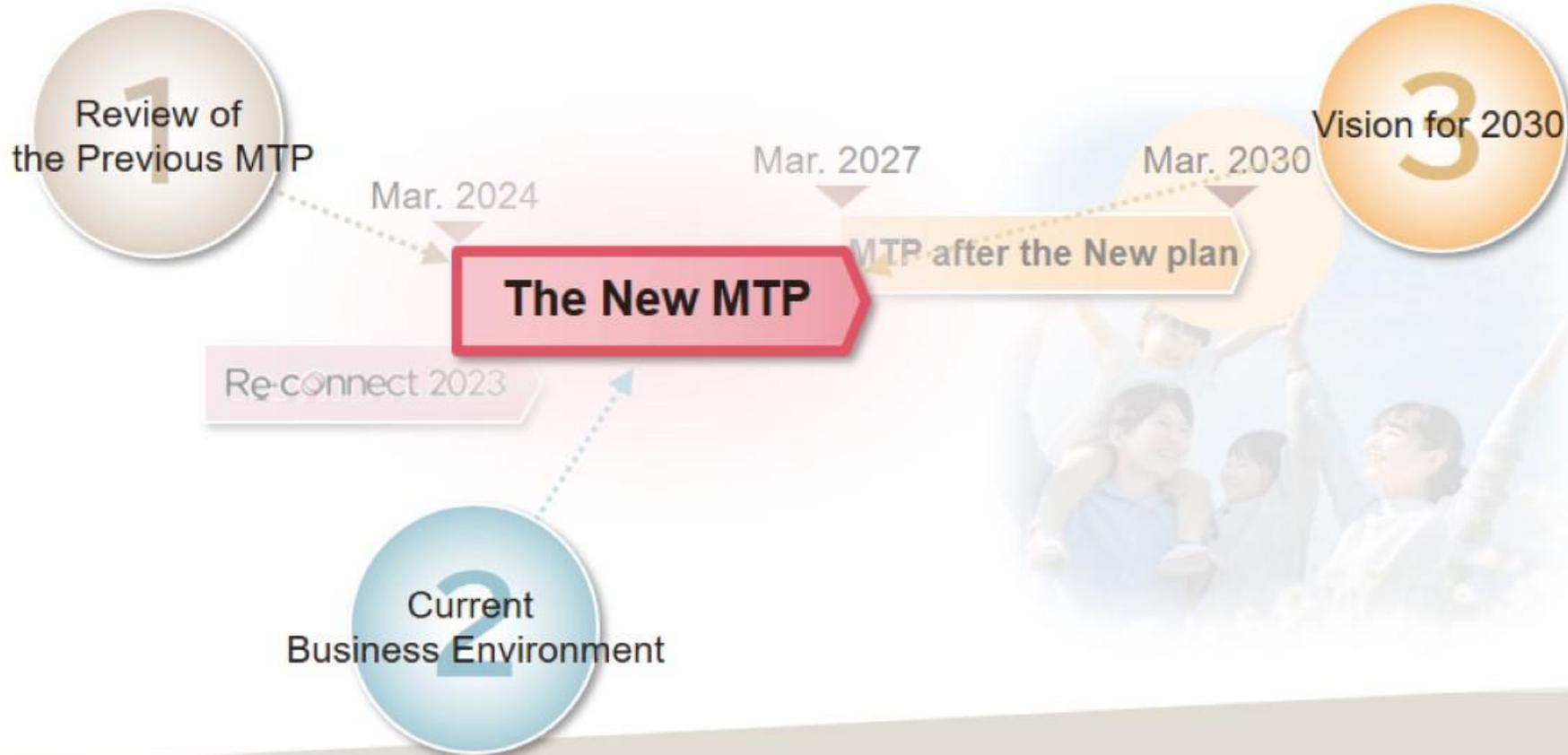
Core Materiality

- ▶ To realize our vision for 2030 by harmonizing business and social value creation, we have redefined our priority issues and newly established “core materiality“.





4 The New MTP





Key Quantitative Targets during the New MTP

- ▶ The new medium-term management plan is a three-year plan to prepare the fundamentals for growth by backcasting from the vision for 2030. Set quantitative targets to committed, including achieving capital efficiency that consistently exceeds the cost of capital

✓ **ROE 10% (FY2026)**

✓ **Cost of Capital 8% (FY2026)**

✓ **Adjusted Profit ¥400bn (FY2026)**

✓ **Overseas Profit Share 40% (FY2026)**

✓ **Strategic Investment ¥300bn (three-year total)**

✓ **Equity Reduction at DL ¥1.2tn (three-year total)**

✓ **Dividend Payout Ratio 40% & Share Buybacks ¥100bn (FY2024)**
(Newly Introducing Interim Dividend Payout System)

✓ **ESR 170 - 200% (new standard)**



Overview of the New MTP

- ▶ Achieve the vision for FY2026 by organically cycling through the five business strategies, financial & capital strategy, and management foundation

Business Strategy

Financial & Capital Strategy

Domestic Insurance Business

- Recover VNB to pre-COVID level during the new MTP period
- Complete the reform of the sales rep channel
- Enhance productivity and efficiency

Overseas Insurance Business

- Enhance capital efficiency and profit contribution of the existing subsidiaries
- Dive into new market with high growth potential
- Explore and expanding to adjacent areas

IT & DX

- Establish offshore development bases
- Infrastructure optimization through joint Group procurement
- In-house DX talent development

Asset Formation/ Asset Succession Asset Management

- Strengthen consulting capabilities for asset formation
- Group-wide asset management strategy
- Strengthen investment capabilities in alternative area, etc.

New Fields of Business (Non-Insurance)

- Steadily executing PMI process on Benefit One
- Expansion of non-insurance area within the strategic investment budget

- Further reduction in interest rate and equity risks relative to EEV (Equity reduction by ¥1.2tn at DL)
- Soundness under the new ESR standard
- Prioritizing shareholder payouts (Increase in dividend payout ratio to 40% / Share buybacks ¥100bn⁽¹⁾)
- Interim dividend payment

Management Foundation

- Appointing Group Heads and expanding CxO positions
- Stock-based compensation, Job-based systems at HD
- Enhancing employee satisfaction
- Hiring and educating specialized talents

Vision for FY2026

- ✓ Achieving capital efficiency that consistently exceeds the cost of capital
- ✓ Building a foundation for transformation into an insurance-related service provider
- ✓ Group adj. profit of ¥400bn
- ✓ Achieving to double the market cap from ¥3tn (as of the beginning of FY2023)

(1) Maximum amount of share buyback resolved at the Board of Directors meeting held on March 29, 2024



KPI Targets

- ▶ Through the implementation of business and financial strategies and the strengthening of the business foundation, we aim to achieve the following indicators

	KPIs	Previous MTP (FY2023) Forecast	New MTP (FY2026) Target <small>*To be updated in May 2024</small>	Targeted level by around 2030	
Financial Indicators	Economic Indicators	RoEV	ca. 7.6% ⁽¹⁾	ca. 8% in the medium-to long term	
		VNB	ca. ¥25.0bn ⁽²⁾	Set for each FY based on the previous FY's results	—
	Accounting Profits	Adjusted ROE	ca. 8%	ca. 10%	Stably exceeds ca. 10%
		Adjusted Profit	¥270bn	¥400bn	¥600bn
Cost of Capital	Cost of Capital	9%	8%	Maintain a stable rate of 8% or less	
Market Valuation	Relative TSR (vs 14 peers)	#4 ⁽³⁾	Relative advantage		
Financial Soundness	Economic Solvency Ratio	222% ⁽⁴⁾	170% - 200%		
Non- Financial Indicators	Customers	Number of Customers	Domestic ca. 13.85m ppl Overseas ca. 37.00m ppl	Domestic ca. 15.00m ppl Overseas ca. 45.00m ppl	—
	External Evaluation	ESG Composite Indices	DJSI ⁽⁵⁾ Asia Pacific Index MSCI ⁽⁶⁾ BBB	Industry-leading evaluation scores in Japan	—

Domestic Insurance Business Strategy

Business

Financial & Capital

Management
FoundationDomestic
InsuranceOverseas
InsuranceAsset Formation
Asset ManagementNew Fields
(Non-Insurance)

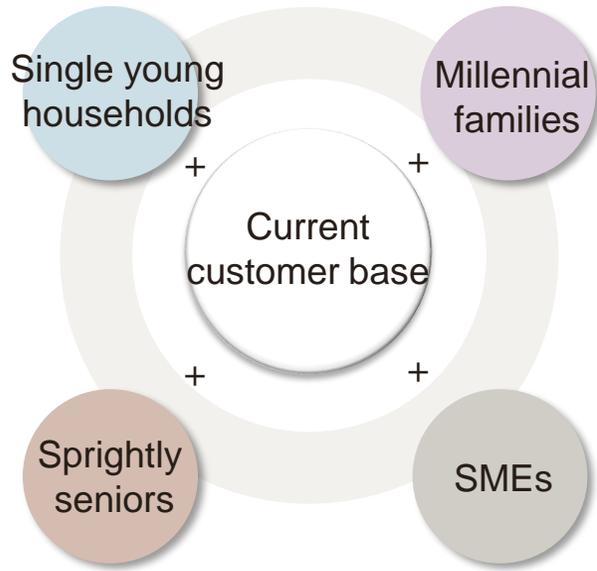
IT & DX

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- Value creations that resonates with customers by providing value in both "protection" and "asset formation / asset succession" and pursuing channel productivity improvement

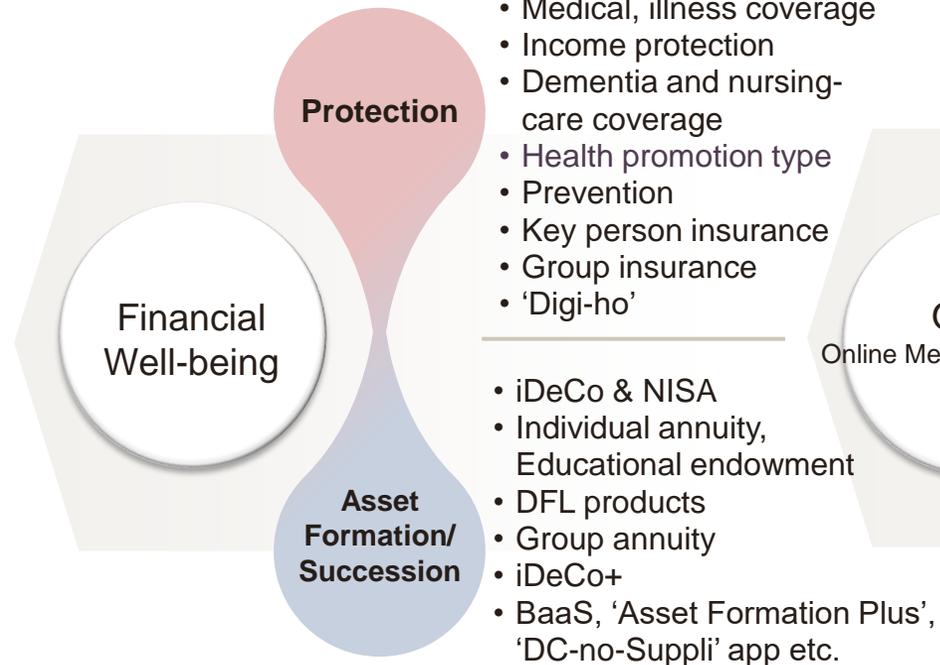
Customers

Provide values to broader customers by capturing diversification of customer lifestyles



Products & Services

Expand product lineup to include non-participating products and highly unique group insurance products to provide from both "protection" and "asset formation/succession" sides



Sales Channels

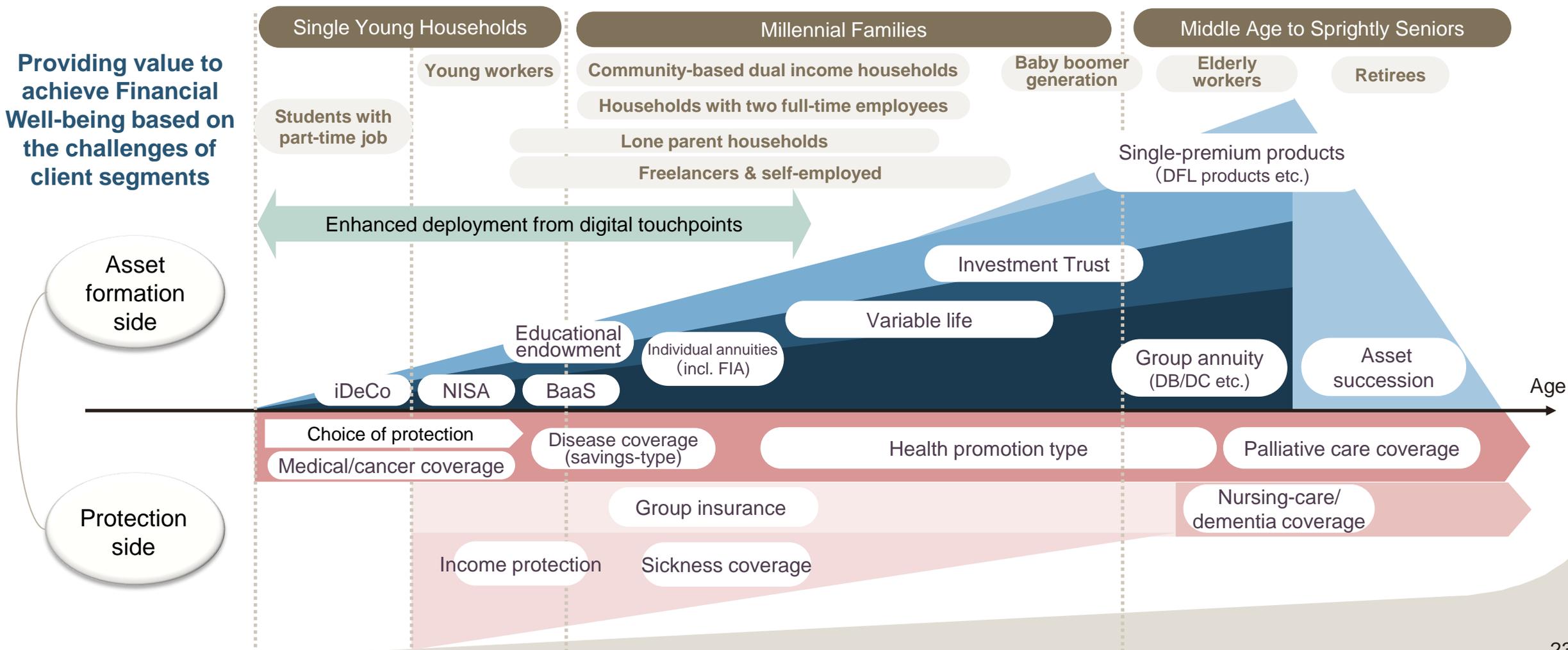
Improving customer experience and boosting productivity of sales reps by blending the real and virtual customer touchpoints



Mid-Term Product Strategy in Domestic Insurance Business

Business Insurance | Financial & Capital Insurance | Asset Management | Management Foundation | New Fields (Non-Insurance) | IT & DX

► Promote to provide value in “protection” and “asset formation/succession” through optimally combined digital and face-to-face consulting sales

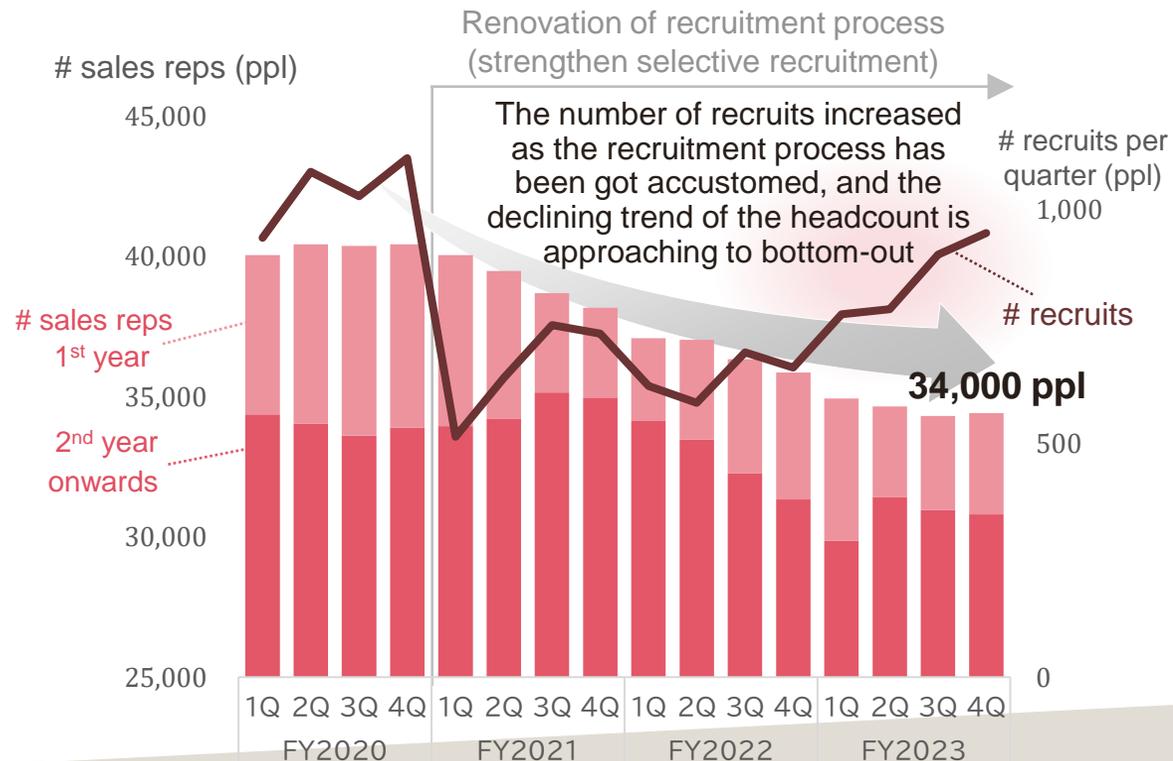




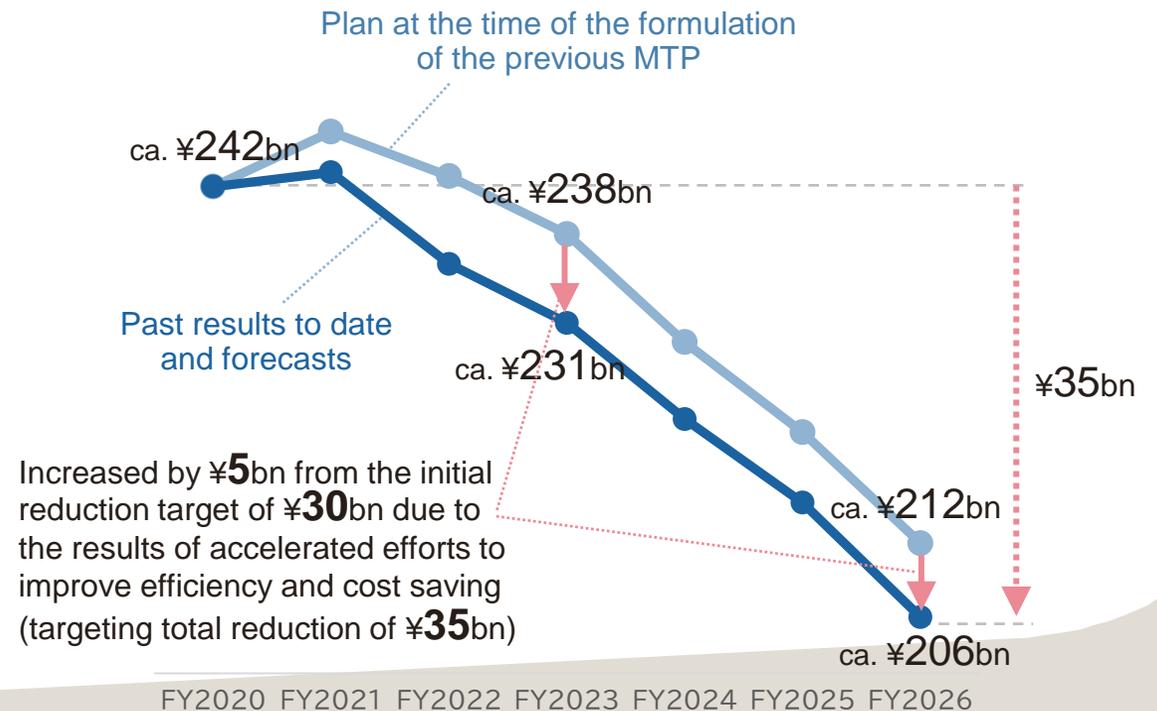
DL's Sales Rep Channel and Efforts to Reduce Operating Expenses

- ▶ For the sales rep channel at DL, selective recruitment has been conducted through higher requirement of recruit and setting the upper limit of the number of hires, as part of the effort to transform recruit and training process. New way of those operation has been gradually got accustomed, resulting that the number of hires is coming close to the plan, and the total headcount is approaching to bottom-out
- ▶ For the operating expenses, despite upward pressure due to inflation, etc., reduction of fixed costs attributable to existing business has been progressed ahead of plan formulated at the time of the previous MTP

Headcount of Sales Rep Channel



Fixed Costs Related to DL's Existing Businesses





Overseas Insurance Business Strategy



▶ Aim to generate adj. profit of ¥160bn in the overseas insurance business in the new MTP. Seems that we will not reach the target level by ca.¥30bn only through growing existing businesses in each region, then we will cover the stretch through inorganic growth with M&A



(1) Non-consolidated basis (excluding the impact of subsequent events recognized on a consolidated basis) (2) Prior to retrospective application of IFRS17 adopted by certain subsidiaries from FY2023

Overseas Insurance Business Strategy (Protective)

Financial & Capital

Management
FoundationOverseas
InsuranceAsset Formation
Asset ManagementNew Fields
(Non-Insurance)

IT & DX



- ▶ **Protective aims to realize a return to a growth track through the retirement business, new acquisitions, strengthening the investment capability and risk management, and improvement of capital efficiency, while working for preparing to comply economic-based solvency regulations**

- Expand sales in the retirement business

Strengthen sales of “fixed annuities,” which have recorded strong sales in the market, and continue to put effort into “variable annuities”

- Realize new acquisitions

Seek inorganic growth including exploring capital-light new areas

- Strengthen investment capability

Enhance investment capability / Strengthen investment risk management

- Improve capital efficiency

Improve capital efficiency by using reinsurance ceded, etc. / Market risk reduction

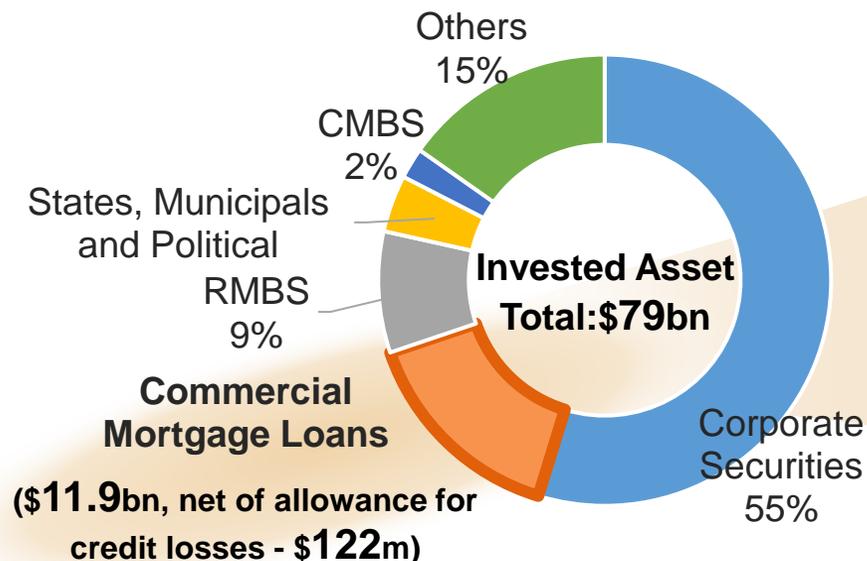


[Ref.] Details of CMLs at Protective (as of Dec 2023)

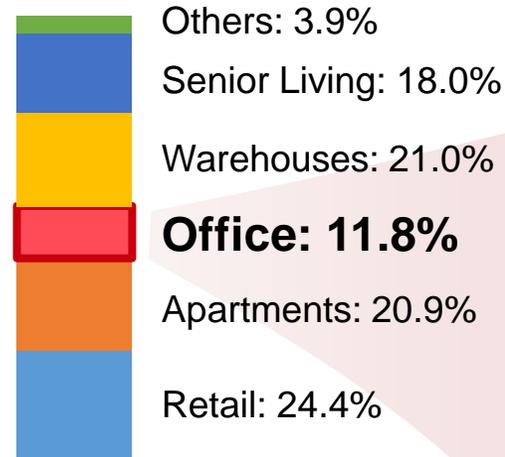


- ▶ In Protective’s investment into commercial mortgage loans (CMLs), the proportion of office is relatively small and well diversified across tenant types and geography (Office proportion: Protective 11.8%, vs avg.20%⁽¹⁾ for its peers)
- ▶ For Office, the balance of loans which comes due in next three years is around 20%

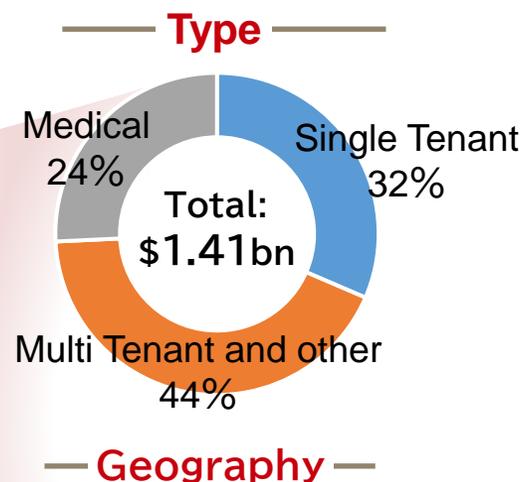
PLC’s Invested Asset Allocation



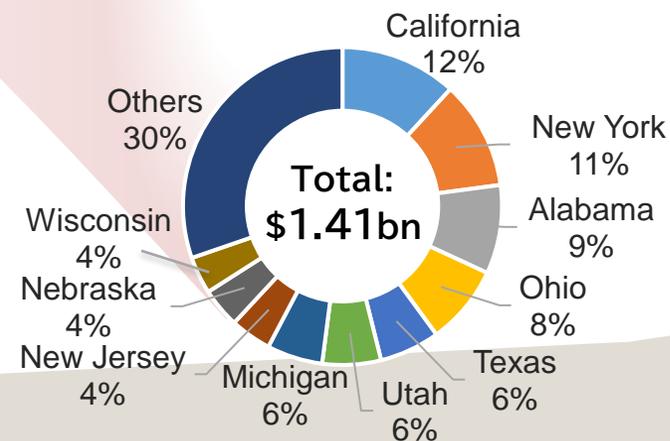
CML Breakdown



Office Breakdown



Geography



Key Metrics

	CML	o/w Office
LTV(Loan to Value) ⁽²⁾	52.5%	51.8%
DSCR ⁽³⁾	1.73	1.82
Avg. Loan Size	\$7.4m	\$7.1m

⇒ No single tenant’s exposure represents more than 0.8% of the commercial mortgage loan portfolio.

(1) Fitch report on US Life Insurers Commercial Mortgages, October 3, 2023

(2) Ratio of debt to assessed real estate value (3) Debt Service Coverage Ratio: Multiplier of principal and interest repayments relative to cash flow

Asset Formation / Asset Succession Strategy

Business

Financial & Capital

Management
FoundationDomestic
InsuranceOverseas
InsuranceAsset Formation
Asset ManagementNew Fields
(Non-Insurance)

IT & DX

Dai-ichi Life
Holdings

- ▶ In DL, work on developing a structure to expand the asset formation and succession business and on strategies to expand sales of group annuities, including spread business
- ▶ In DFL, aim to increase and stabilize profits by increasing AUM

DAI-ICHI LIFE

Wholesale (Group Annuities) Dai-ichi Life Group
Sale Reps & "Asset Formation/
Succession/Inheritance Advisors"



Maximize profits through both spread & fee business

- Shift to a sales expansion strategy while reducing risks in the spread business (DB general account), which had been restraining entrustments under low interest rates
- Steadily expand the balance of fee businesses (DB separate accounts, DC, and investment trusts) as a stable source of earnings that does not depend on the interest rate environment



Expand the system of "Asset formation/ Succession/Inheritance Advisors" ("SSSAD")

- Accelerate the development of HRs that can consult protection and asset formation/succession integrally in the face-to-face channel, which was centered on insurance sales
⇒ ca. **1,700 ppl at the end of FY2026**
(HRs different from existing sales reps)

第一フロンティア生命
第一生命グループ

Increase of AUM through enhancement of product development and investment functions, etc.



Provide products and services that are attractive to customers

- Flexible development of products and services in light of social issues such as extending asset life and smooth asset transfer
- Improve competitiveness through sound risk-taking, focusing on credit and liquidity risks
- Expand AUM to **¥14tn in FY2026**, aiming to increase and stabilize profits

Asset Formation / Asset Succession Strategy (Digital Initiative)

- ▶ Effectively increase touch points through BaaS, and establish systems leading to the provision of online products and face-to-face consulting by utilizing various functions of asset formation platform ('Asset Formation Plus')



Awarded financial institution category excellence of "Japan Financial Innovation Award 2024"

Expand touch points with customers based on BaaS

BaaS accounts opened⁽¹⁾
(73K as of Mar. 2024)

Asset Formation Plus

BaaS

Use account function and create touch points in daily life

- Payment
- Salary receipt
- Transfer
- Claim and annuity receipt

Visualization of current and future income and expenses

- Household account
- Simulation

Provide investment enlightenment contents

- Column
- Market information

Advice Function

- Robot advisor
- Inheritance service
- AI chat

: Plan to expand onward

Provide and mediate online products

- Investment trusts
- "Digi-ho"
- Savings products

Establish and strengthen the systems that lead to face-to-face follow-up and advice

(1) Cumulative total

Asset Management Business Strategy



- ▶ In the asset management business, we aim to strengthen the Group's asset management functions and product competitiveness. At the same time, we aim for steady growth in earnings through capital-light fee businesses that make use of economies of scale by expanding the acquisition of third-party funds.



New Fields of Business (Non-Insurance)



- ▶ Aim to grow profit contribution from non-insurance area (incl. asset management business) to 10% scale by 2030 through strategic investments such as strengthening the Benefit One platform to expand business scale in the areas of “Health and Medical Care” and “Enhancing Connections,” and to create an ecosystem that integrates these areas

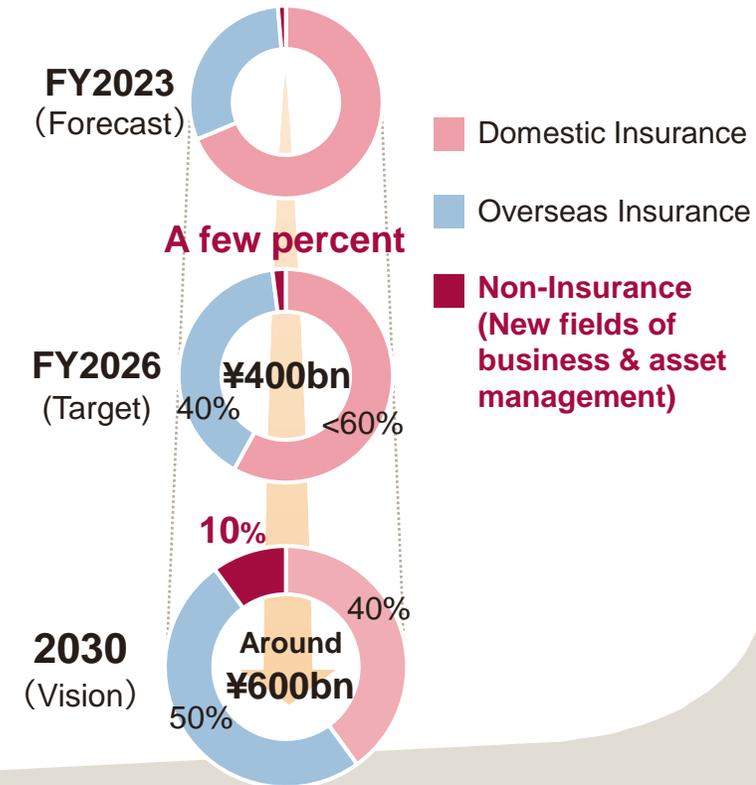
Business Domain Expansion

- Scale up experiential value areas such as Health and Medical Care, and Enhancing Connections
- Expand non-insurance areas and build an ecosystem with Benefit One as a hub
- Explore peripheral areas with high affinity to existing businesses

Strategic Investment and M&A

- Leverage the Benefit One platform to strengthen our health and medical-related services
- Additionally Invest to strengthen the Benefit One platform
- Invest in asset management companies with edgy strengths, mainly in alternatives area, acquire competitive organizational capabilities with a focus on digital, etc.

Adj. Profit Contribution Target for Non-Insurance Areas

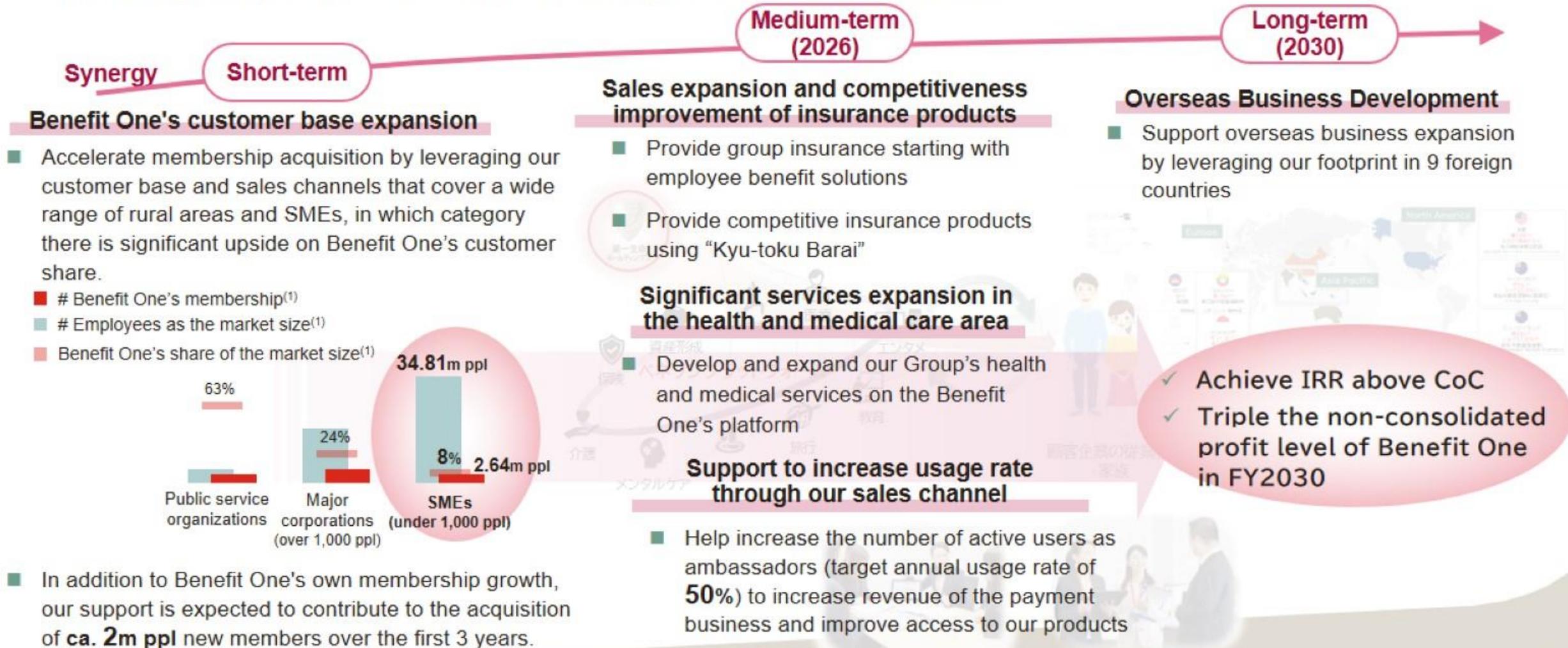




Synergy Creation with Benefit One



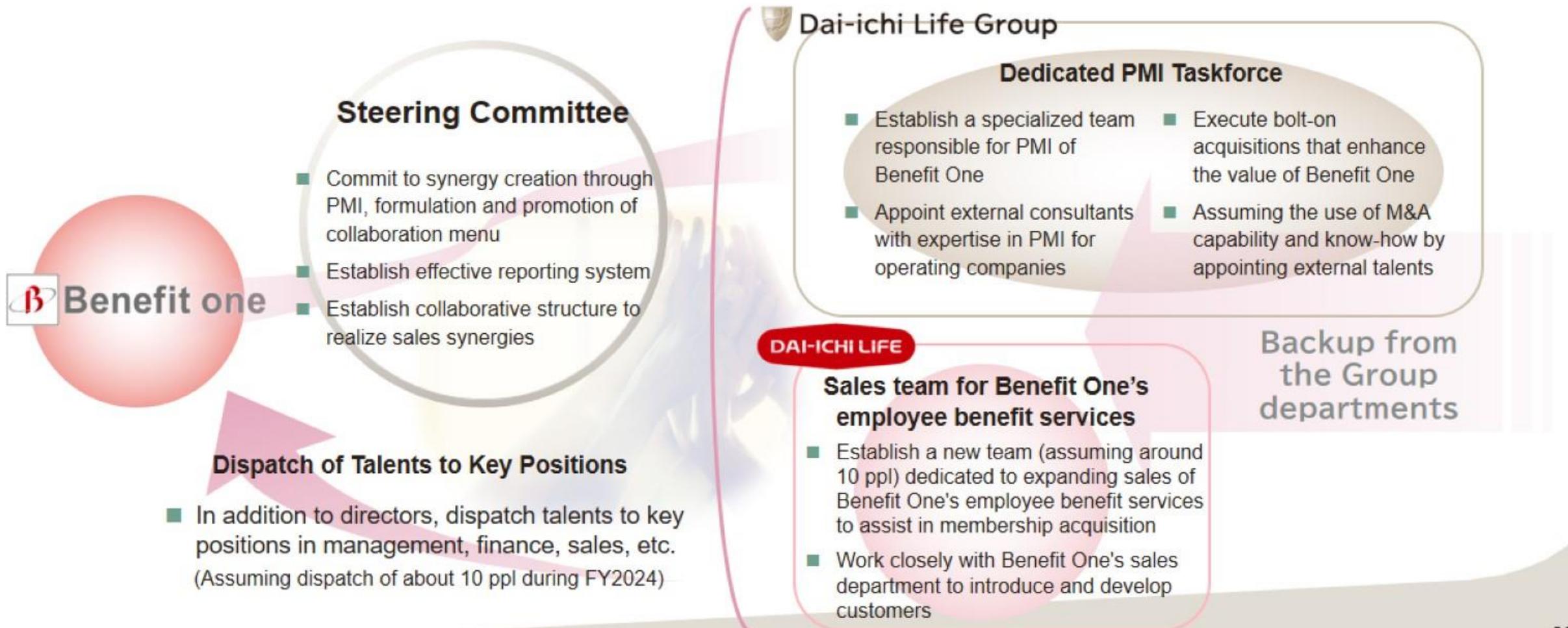
- ▶ For Benefit One, which plays a central role in efforts to expand the non-insurance domain in Japan, create synergies along the short-, medium-, and long-term time horizons such as customer base expansion and providing our products and services through Benefit One's platform



Structure for PMI of Benefit One



- ▶ Newly establish a dedicated organization in HD to formulate and promote a menu of collaboration for PMI of Benefit One and establish a sales team in DL for Benefit One's employee benefit services to provide values to customers



IT & Digital Strategy

Business

Financial & Capital

Management
FoundationDomestic
InsuranceOverseas
InsuranceAsset Formation
Asset ManagementNew Fields
(Non-Insurance)

IT & DX

Dai-ichi Life
Holdings

- Provide the latest technology and services consistent with each strategy to support dramatic improvements in “Customer Satisfaction,” “Innovation in Product and Service,” and “Employee Satisfaction,” and enhance corporate value through customer base expansion and productivity improvement



Vision to achieve through our IT and digital strategy

- Improved productivity of sales activities
 - Sophisticated digital marketing
 - Industry's #1 NPS, increase in # customers
- Expansion of digital touching points, improved quality of leads
 - Establish optimal division of labor for HQ support
- Agile product development that meets needs
 - Embedded Insurance Deployment
 - Deployment of innovative services
- Improved productivity in planning and administrative operations
 - Modernization of work styles
 - Promoting Innovation
 - Increased satisfaction and engagement
- Cost reduction in existing operations

Customer Satisfaction

Innovation in Product and Service

Employee Satisfaction

Corporate Value

IT & Digital Strategy

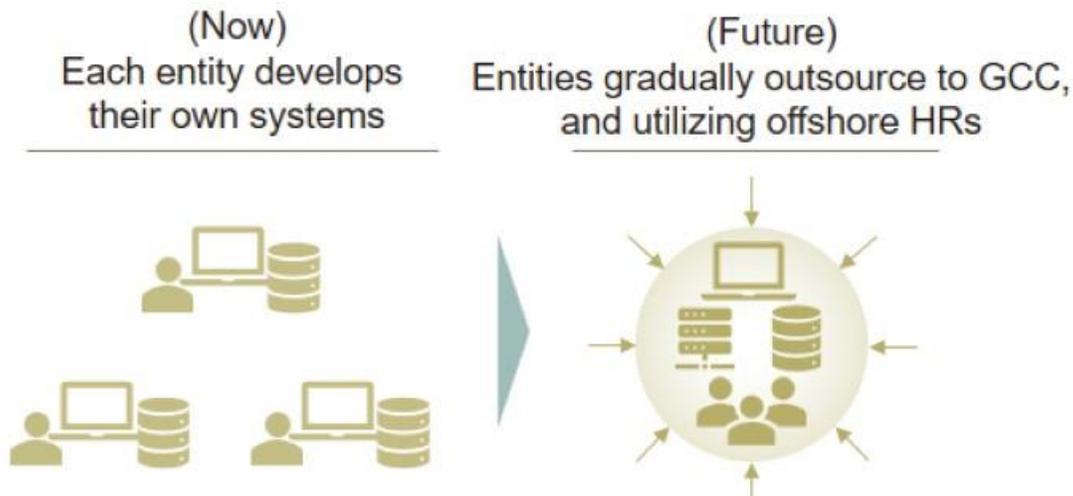


- ▶ To realize our vision through IT and digital strategy, we utilize offshore development bases called GCC⁽¹⁾ and internalize digital organizational capabilities and strengthen group capability through the transformation of our internal system solution company

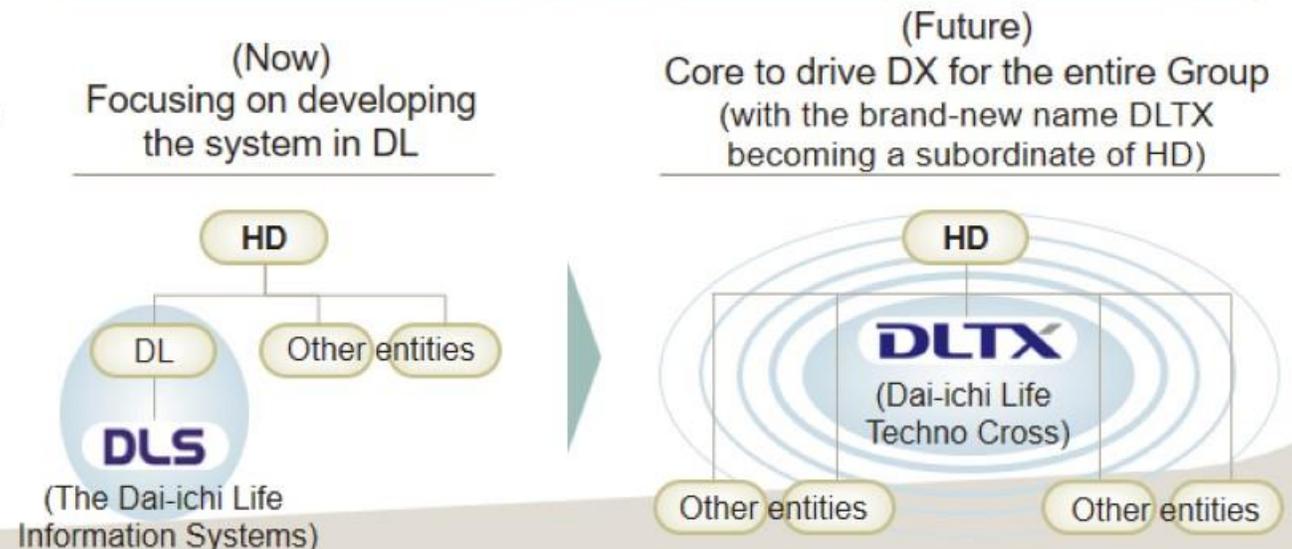
Internalization of digital organization capabilities and strengthening of group capability

- In view of the growing gap between the supply and demand of IT/digital talents, promote to internalize those talents and build a system that can provide flexible and powerful support for business activity reforms and productivity improvement
- Strengthen groupwide functions in the cybersecurity, enterprise architecture, and data/AI areas

Establish offshore development bases called GCC⁽¹⁾



Transformation of the system solution company in the Group



IT & Digital Strategy

Business

Financial & Capital

Management
FoundationDomestic
InsuranceOverseas
InsuranceAsset Formation
Asset ManagementNew Fields
(Non-Insurance)

IT & DX

Dai-ichi Life
Holdings

- ▶ Transformation to data-driven sales activities and maximization of group synergies through centralization of domestic customer information and promotion of group-wide joint procurement to improve productivity and efficiency of each business activity

Realization of data-driven sales activities and maximization of group synergy

- Through the centralization of domestic customer information, realize an OMO that delivers the Group's products and services, incl. providing values from both protection & asset formation and those in non-insurance areas at the optimal timing and through the optimal channels.
- Maximize synergies through commonization of Group solutions and optimization of procurement costs

Centralization of domestic customer information

(Now)

Insufficient aggregation
of customer information
for each group

(Future)

Centralized domestic customer
information and using AI technology
for data-driven marketing



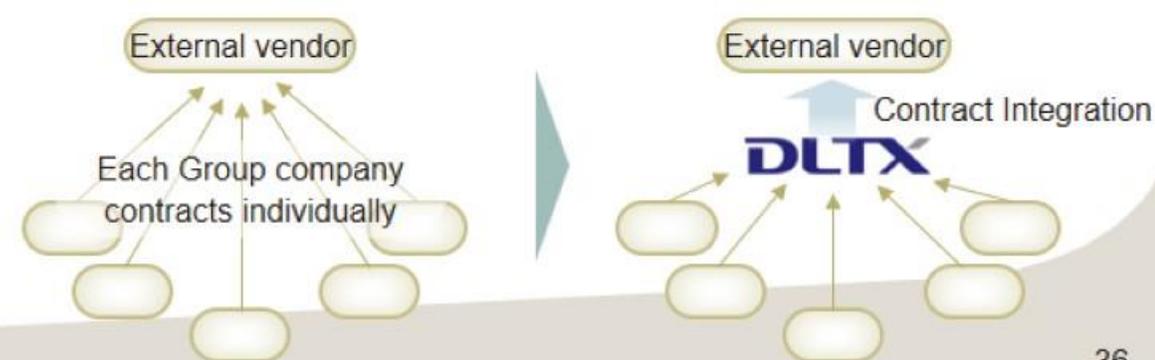
Group joint procurement

(Now)

Each company signs an
individual contract (except
for some domestic markets)

(Future)

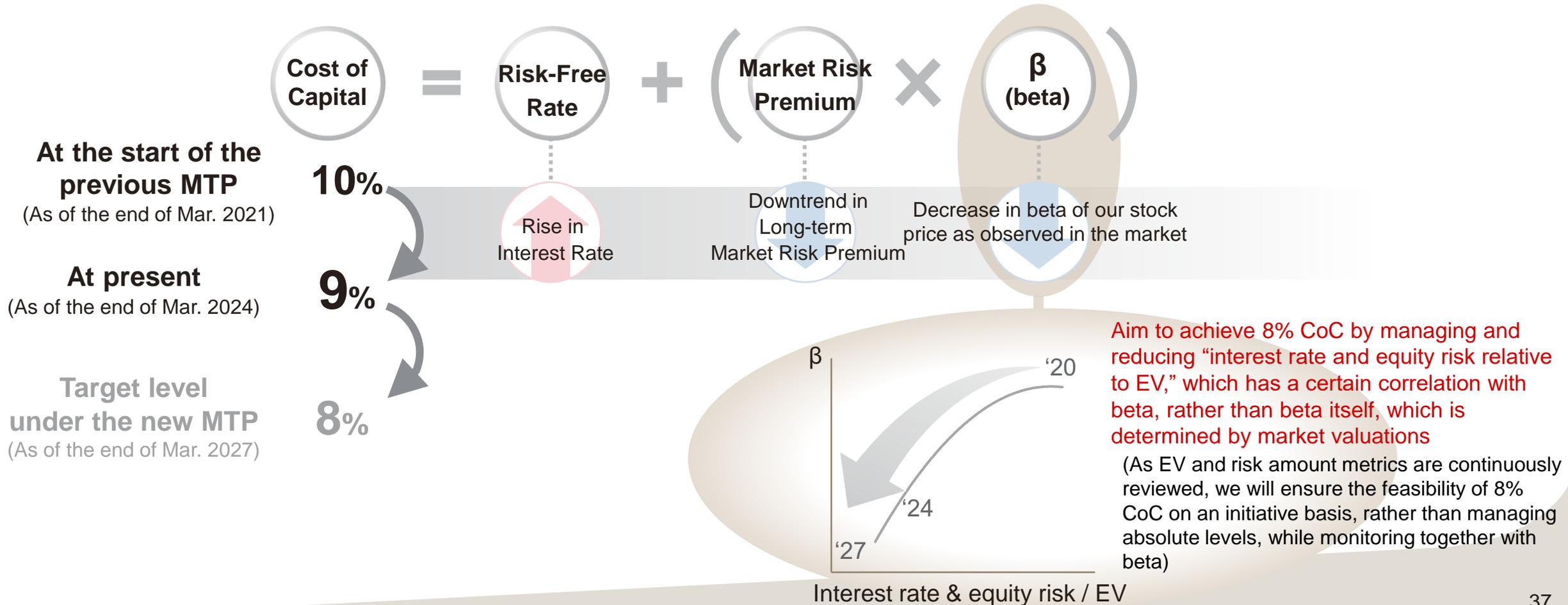
Integrate contracts with DLTX⁽¹⁾ as a
hub for solution commonality and
procurement cost optimization





Financial & Capital Strategy (Recognition of Cost of Capital)

- ▶ The Cost of Capital (CoC) has been revised. Although the risk-free rates have risen, it is estimated that the current CoC is 9% as a result of reflecting the decline in β associated with the reduction in market risk that has progressed in the previous MTP. β that can be reduced by oneself is correlated with “interest rate & equity risk / EV,” thus we aim to reduce the CoC by further reducing the risk





Financial & Capital Strategy (Reducing Market Risk)

Financial & Capital

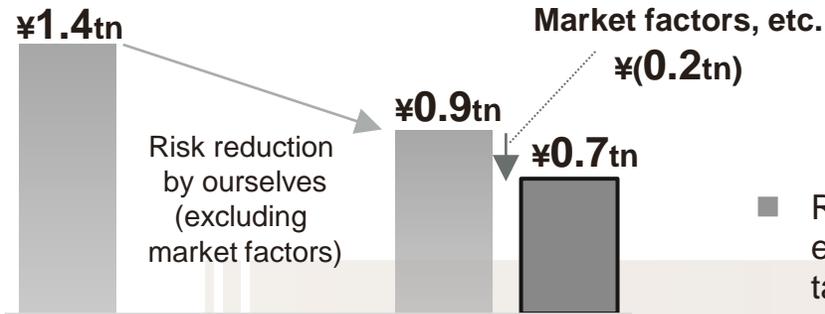
Management
Foundation

- ▶ In the previous MTP, interest rate risk reduction was achieved in excess of the target, but equity risk increased due to the rise in market value of equity holdings. In the new MTP, accelerate the pace of equity risk reduction by reducing DL's domestic equity holdings by ¥1.2tn over 3 years

Progress of Risk Reduction in the Previous MTP

Interest Rate
Risk⁽¹⁾

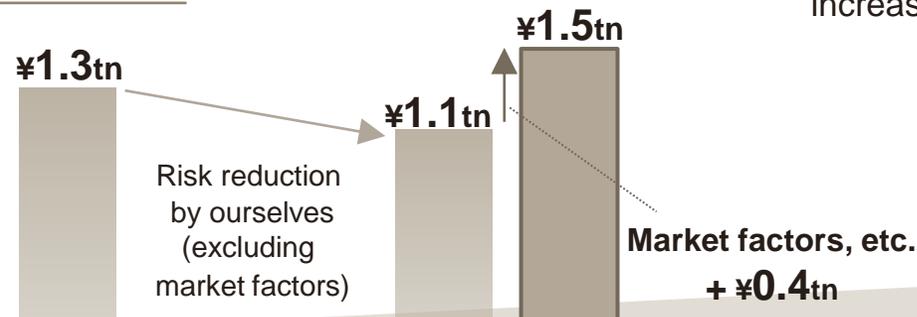
Mar. 2021 Interest rate risk amount Mar. 2024 Interest rate risk amount



- Reduction of interest rate risk exceeded the target, and the target of the previous MTP was achieved in total market risk
- Equity risk increased as the market value of equity holdings increased

Equity Risk⁽¹⁾

Mar. 2021 Equity risk amount Mar. 2024 Equity risk amount



Risk Reduction Policy in the New MTP

- Minimize the interest rate risk within about 5 years
- Reduce DL domestic equities by **¥1.2tn** (ca. **30%** for market value in FY2023) over 3 years, and agilely increase the scale of sales in case market value rises further
- Rebalance bond holdings that currently have unrealized losses due to rising yen interest rates, by partially utilizing gains on sale of domestic equities
- Take risk from alternative areas for acquiring additional return

These efforts are expected to **reduce the cost of capital to 8%** and **increase adj. ROE to 10%** during the New MTP period

Financial & Capital Strategy (Shareholder Payout Policy)

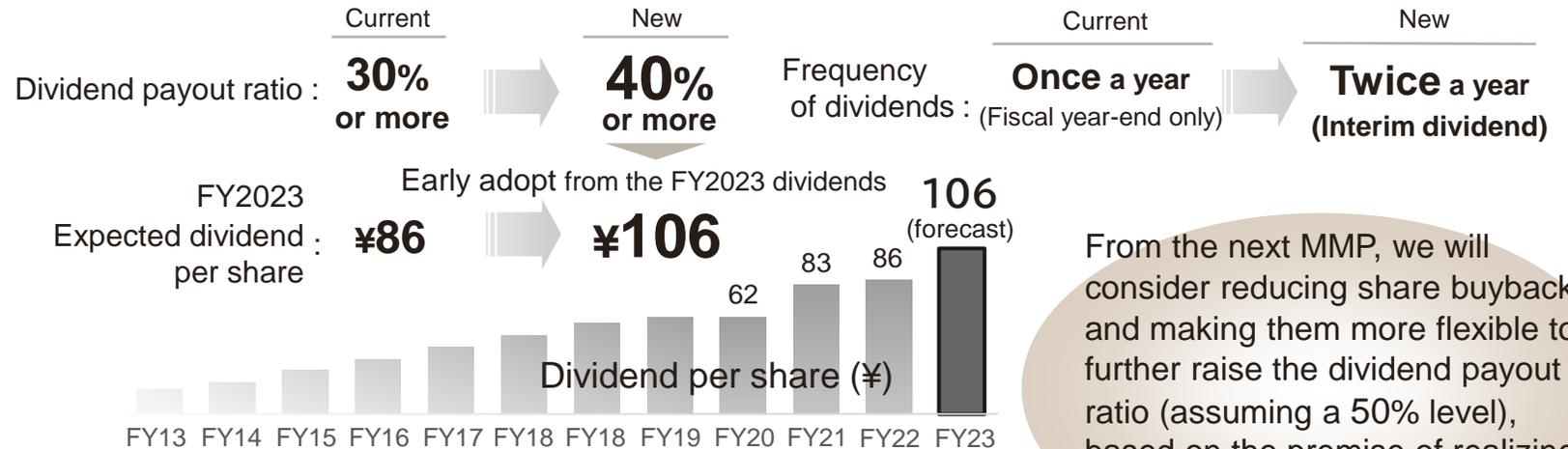
Financial & Capital

Management Foundation

- ▶ **Raise the dividend payout ratio to 40% and early adopt for the FY2023 dividend. Plan to maintain the basic policy of the previous MTP for the shareholder payouts, and maintain the total payout level in FY2024 and beyond until achieving capital efficiency that consistently exceeds the cost of capital**

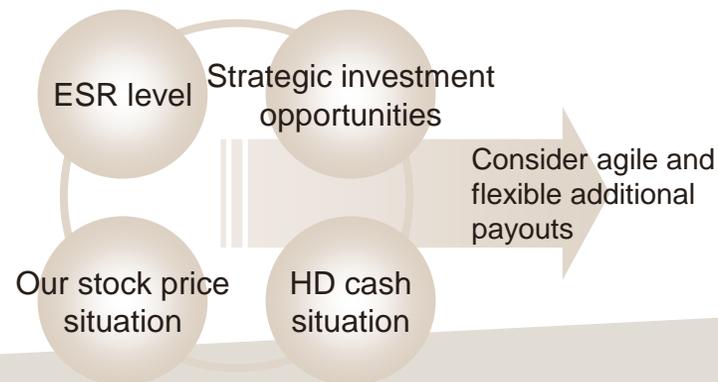
Cash Dividends

- Base stable cash dividends based on the level of Group adj. profit, which is an actual profit indicator
- Dividend payout ratio is calculated based on the avg. Group adj. profit for past 3 years
- Basically no reduction of dividend per share



Share Buybacks

- Consider agile and flexible additional payouts such as share buybacks, taking into account ESR level, cash-flow situation, availability of strategic investment opportunities, and our share price
- Maintain mid to long-term total payout ratio of 50% or more



FY2024 Share Buybacks
¥100bn



Financial & Capital Strategy (Shareholder Payout Policy)

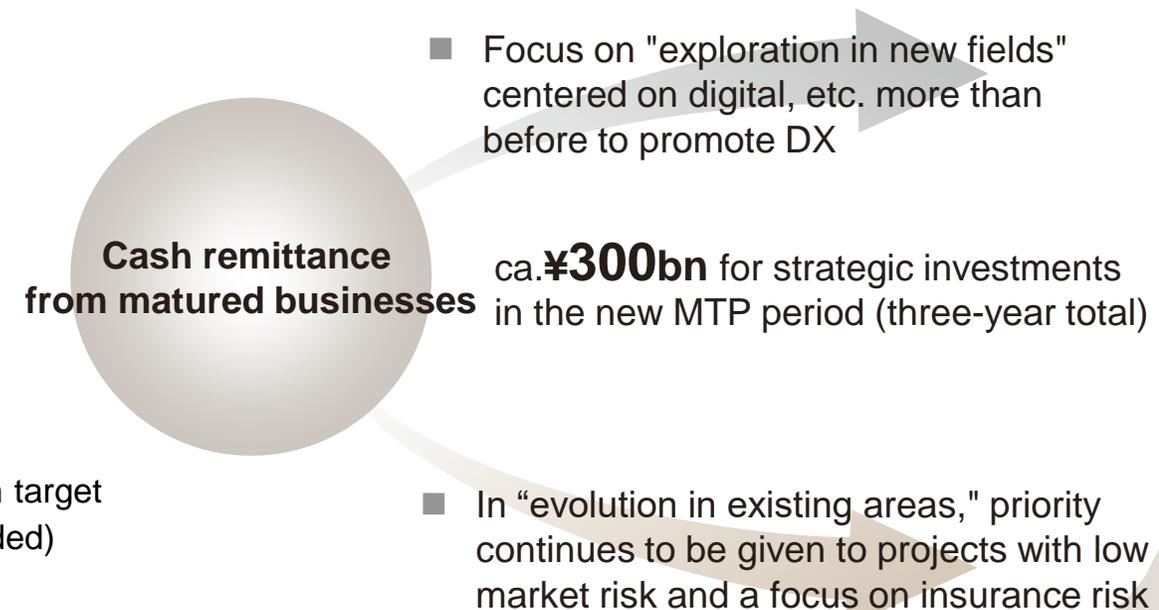
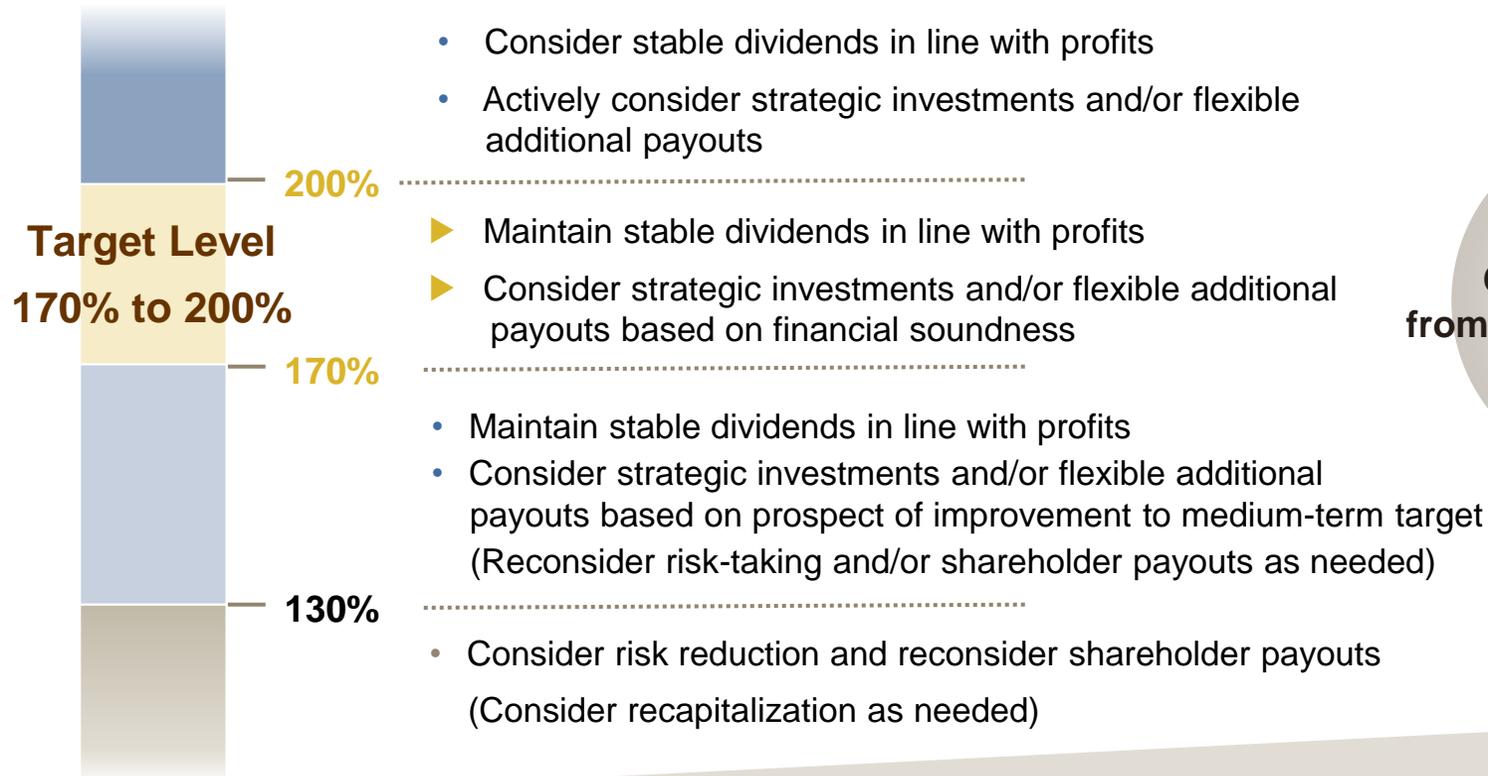
Financial & Capital

Management
Foundation

- ▶ Even after the revision of ESR following the introduction of the economic value-based capital rules (J-ICS), the capital policy approach based on the ESR level remains the same as in the previous MTP
- ▶ In terms of strategic investment, we will focus more than ever on "exploration in new areas" centered on digital and other areas to promote DX, while continuing to give priority to projects with low market risk and a focus on insurance risk in the "evolution of existing areas."

ESR Level and Approach to Capital Management Policy

Capital Allocation for Strategic Investments





Partial Amendment of Adj. Profit Calculation

- ▶ **Group adj. profit included valuation gains/losses which do not fit for the original purpose of it and were causing large volatility in profit of overseas businesses**
- ▶ **Partial amendment of adj. profit calculation will be implemented from FY2024 onward, which will help to improve a stability of profit and predictability of shareholder payouts**

Rationale behind This

- Group adj. profit is a real profit indicator tied to shareholder payouts and should be an actual figure excluding “valuation gains/losses” for accounting purposes, but the "valuation portion," which is included in some of the items, has fluctuated significantly in overseas businesses in recent years, and adj. profit has become volatile.
- PLC, TAL & PNZ, will exclude such valuation gains/losses caused by changes in the economic environment, from adj. profit to improve a stability of profit and predictability of shareholder payouts

Items to be Adjusted

- Items below will be excluded from adj. profit

PLC

Portion of valuation items in non-operating income/losses which are caused by macro-economic fluctuation, etc. (including related taxes)

- Credit losses, realized gains(losses) on equity, others
- Commercial mortgage loans
- Modco - net realized gains (losses)
- Derivatives related to VA and indexed products
- VA/VUL market impacts
- Related DAC/VOBA amortization

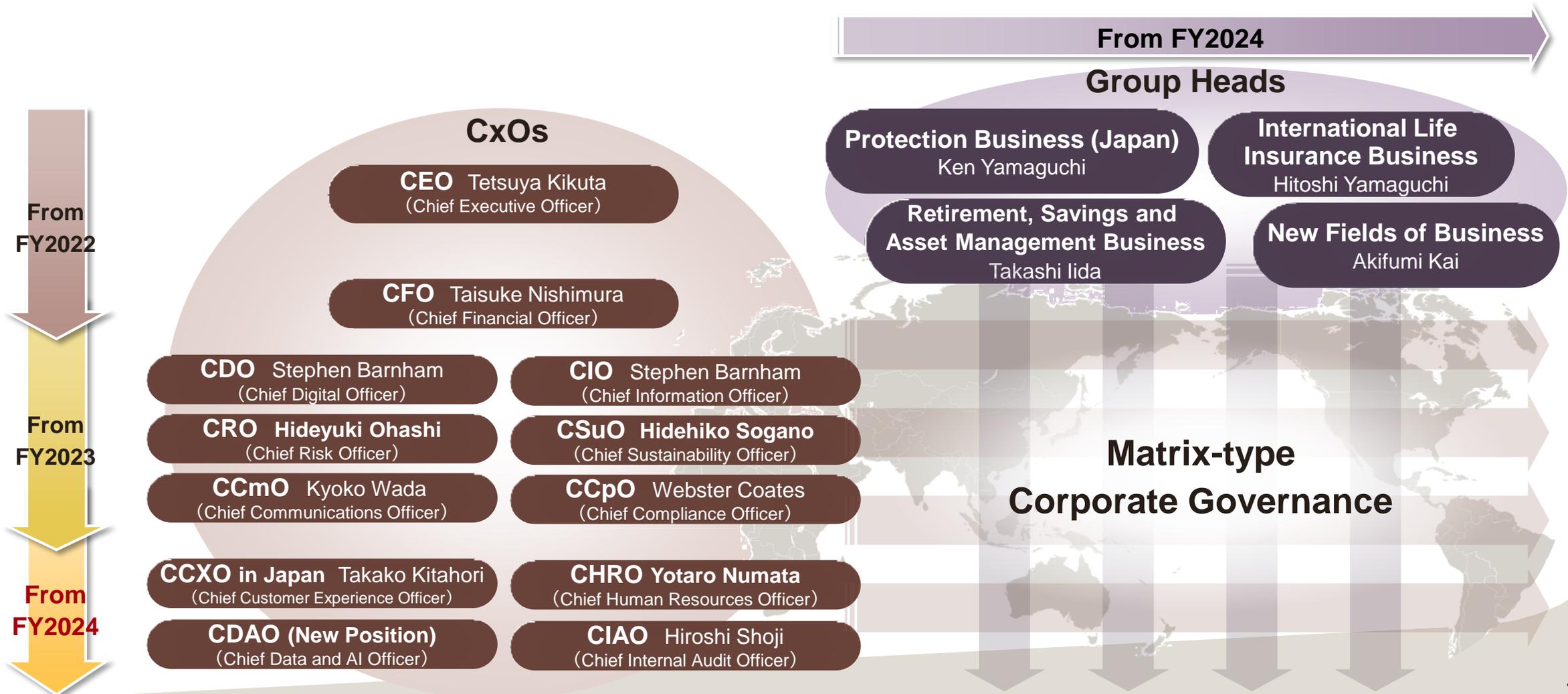
TAL & PNZ

- Interest rate impact on assets and liabilities, etc.

Management Foundation

Expanding CxO Structure and Roles / Appointing Group Heads

- ▶ Further expand the CxO structure established in FY2022 to strengthen corporate functions, and appoint Group Heads to be responsible for business promotion





Management Foundation (HR Strategy)

- ▶ Establish a base for diverse HRs to maximize their potentials and promote realization of business strategy in respect of personnel system through strengthening HR governance, introducing job-based systems at HD, transferring domestic personnel planning functions from DL to HD, etc.

Group HR Governance

- Strengthening HR governance (nomination, remuneration, etc.)
- Succession management

Personnel System, Remuneration System

- Designing and introducing job-based systems at HD
- Transferring domestic functions of planning personnel remuneration systems and recruitment from DL to HD

**“Diverse HRs maximize their potentials
& realize challenge and transformation”**

Talent Acquisition & Training

- Recruitment and development of diverse and talented HRs
- Development of management leadership candidates

Opportunities for Active Contribution

- Talent management
- HR exchange within and outside the Group

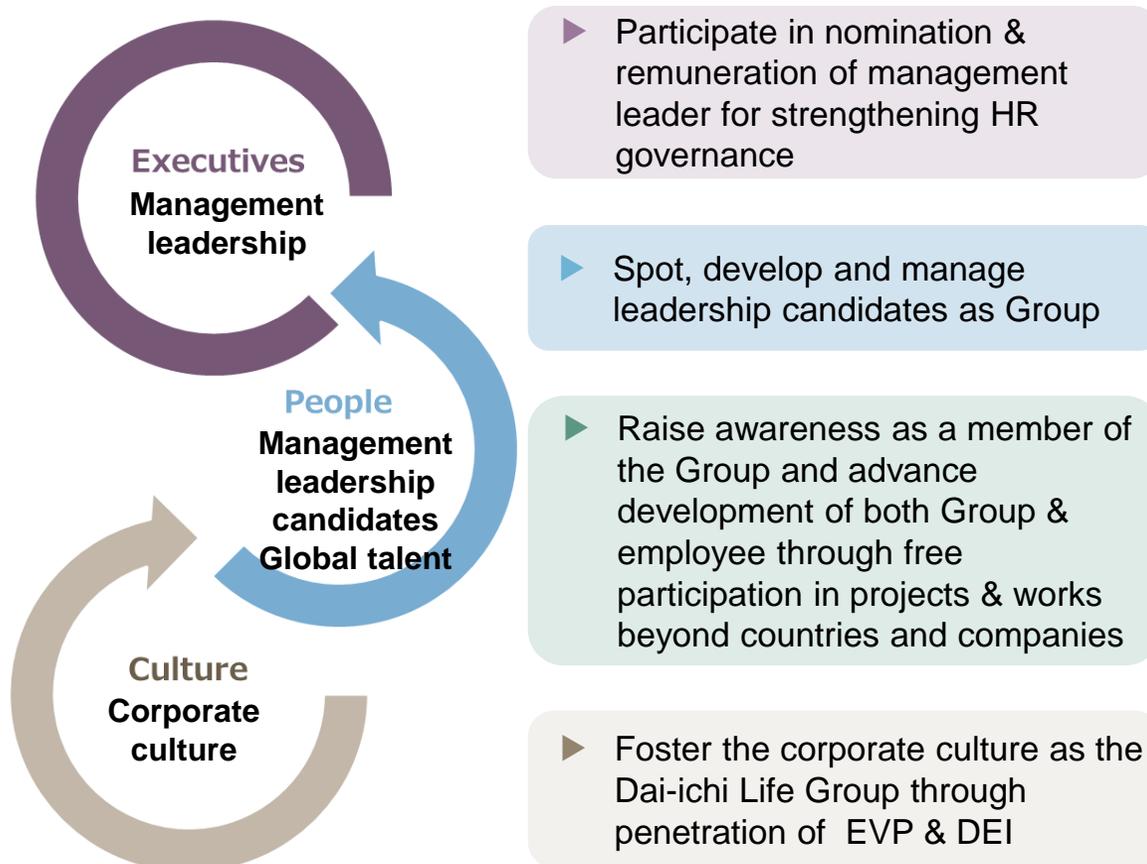
Foster a flat and open-minded corporate culture / Improve employee well-being



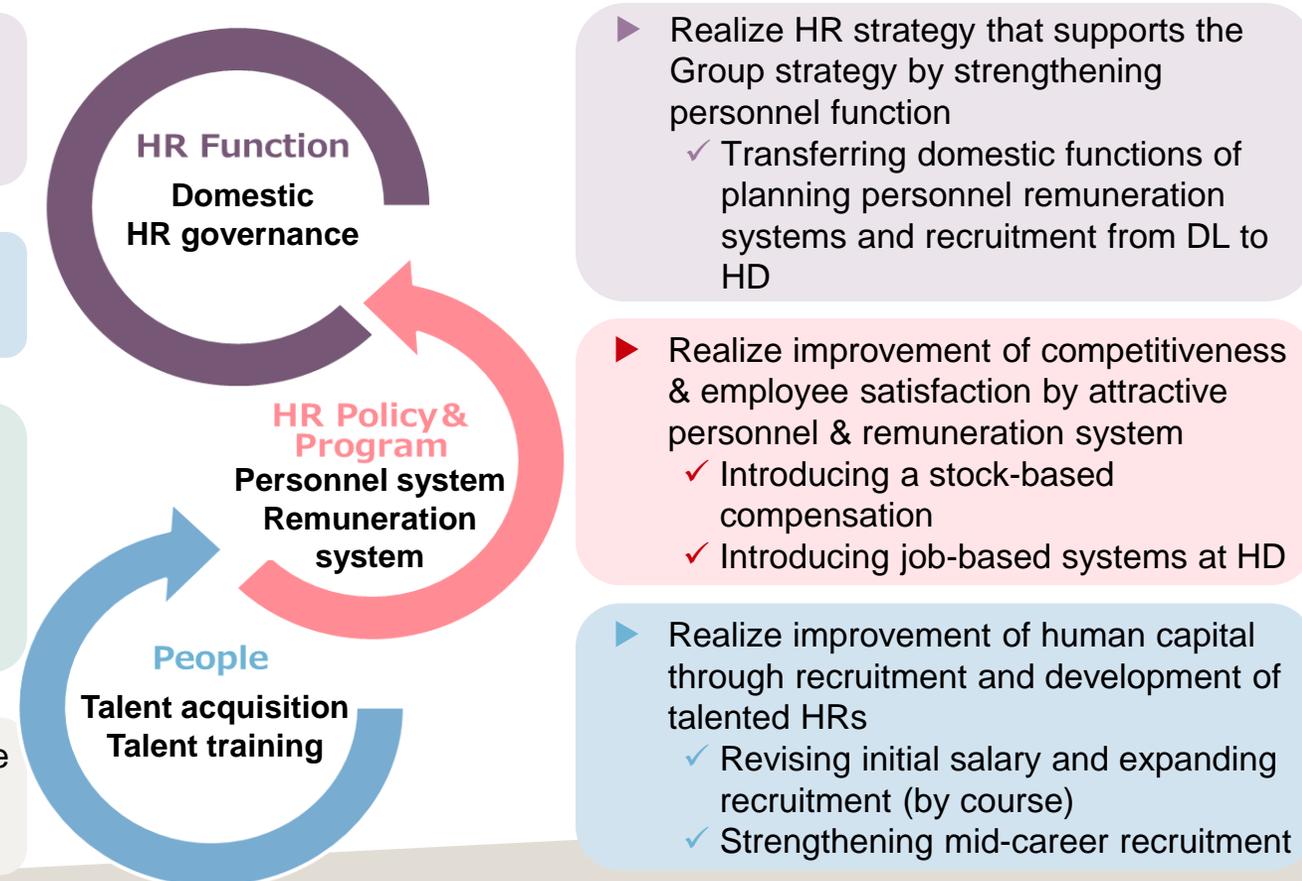
Management Foundation (HR Strategy)

- ▶ Regard “Group HR governance,” “Personnel system, Remuneration system,” “Talent acquisition & training,” and “Opportunities for active contribution” as base of HR strategy, and consider and work on specific measures in terms of “Global (Domestic & Overseas)” and “Domestic”, for realizing an appropriate resource allocation for realization of management strategy and business strategy

Global (Domestic & Overseas)



Domestic





[Ref.] Core Materiality Indicators (1/2)

- To ensure that we address the core materiality we set, we have established indicators for each item to measure our progress, aiming for both a sustainable society and business growth

Core Materiality	Indicators	Actual Results ⁽¹⁾	Targeted levels
Financial Well-being for All <ul style="list-style-type: none"> Provide comprehensive financial services in the two core areas of "Protection" and "Asset Formation/Succession" that address the issues of each client segment Promote financial inclusion by providing products and services that meet the needs of clients in the regions where we operate 	# Customers	FY2023 estimated results Domestic: ca. 13.85m ppl Overseas: ca. 37m ppl	FY2026 Domestic: ca. 15m Overseas: ca. 45m
	NPS ^{®(2)}	-44.2	FY2026 Industry-leading level in Japan
Healthy People and Society <ul style="list-style-type: none"> Support education for future generations, support health and purpose in life, build connections with the local community Contribution to the inclusive development of sustainable society 	Promoting financial inclusion in developing countries (# micro-insurance provided)	# micro insurance policies held ca. 12.6m	—
	Offering education support programs for future generations (# attendees for the programs)	30,667 ⁽³⁾ per year	—
	# employees who have participated in local volunteer activities	38,745 ⁽⁴⁾ per year	—

(1)Actual results in FY 2022 in case otherwise stated (2)NPS stands for Net Promoter Score which is a registered trademark of Bain & Company, Fred Reichheld, and SatMetrix Systems. The Score shown is DL's score

(3)DL and DFL (4)3 domestic entities: DL, DFL, and NFL



[Ref.] Core Materiality Indicators (2/2)

Core Materiality

Indicators

Actual Results⁽¹⁾

Target levels

Green Leadership

- Contribute to the realization of a decarbonized society and of recovery of natural capital
- Resolve sustainability issues through investments
- Contribute to global rule-making and disseminate opinions through participation in Japanese and international initiatives

In-house GHG emissions reduction⁽²⁾ (Scope1&2)

65.5% reduction

vs FY2019

FY2030: 75% reduction

FY2040: Net Zero

GHG emissions reduction of Investment portfolio (Scope3 Category15)

16% reduction⁽³⁾

vs 2020

2030: 50% reduction⁽⁴⁾

2050: Net Zero

Cumulative total amount of sustainability-themed investment⁽⁵⁾

Cumulative total
¥2.5tn⁽⁶⁾

(o/w Environment/Climate)
¥1.2tn⁽⁶⁾

By FY2029

Cumulative total ¥5tn

(o/w Environment/Climate)
¥2.5tn

Proactive Governance and Engagement

- Build a sustainable management foundation that is valued by society
- Respect human rights of all stakeholders
- Creating a fulfilling work environment by promoting an organizational culture that leverages diverse personalities and maximizes and enhances individual capabilities

ESG Composite Indices

FY2023

DJSI: Included in APAC Index
MSCI: BBB

**Industry-leading level
in Japan**

Diversity of talents⁽⁷⁾

Ratio of female
in executives: 13.4%
in organization head: 18.5%

By 2030

Both 30%

Creation of fulfilling work (Engagement Score)

64 (+1 YoY)⁽⁸⁾

—

Innovation promotion (# applications of Innovation fund)⁽⁹⁾

FY2023: 29

30 per year

Group Company Name Abbreviation

Domestic Companies		Overseas Companies	
DL	Dai-ichi Life	PLC	Protective Life Corporation
DFL	Dai-ichi Frontier Life	TAL	TAL Dai-ichi Life Australia
NFL	Neo First Life	PNZ	Partners Group Holdings
ipet	Ipet Holdings	DLVN	Dai-ichi Life Insurance Company of Vietnam
AMOne	Asset Management One	DLKH	Dai-ichi Life Insurance (Cambodia)
VTX	Vertex Investment Solutions	DLMM	Dai-ichi Life Insurance Myanmar
		SUD	Star Union Dai-ichi Life Insurance Company
		PDL	PT Panin Dai-ichi Life
		OLI	OCEAN LIFE INSURANCE PUBLIC COMPANY
		DLRe	Dai-ichi Life Reinsurance Bermuda

Contact for inquiries of this material

Dai-ichi Life Holdings, Inc.
IR, Corporate Planning Unit

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