

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

Date: February 26, 2025, 15:00-16:40 (JST)

Presenter: Bruce Miller, Outside Director
Rieko Sato, Outside Director (Audit and Supervisory Committee Member)
Kohei Kai, Senior Managing Executive Officer
Taisuke Nishimura, Executive Officer (CFO)
Akifumi Kai, Executive Officer/ Group Head, New Fields of Business

**Q What are the key discussion points in communications with the executives?
What kind of information is requested to the Office of the Board of Directors?**

A Discussions with executives vary depending on the counterpart. For example, issues based on the Mid-Term Management Plan include the slow growth in the value of new business (“VNB”) and the impact on earnings due to the decrease in the number of sales reps. Therefore, executives responsible for sales at DL are asked about the progress of system reforms related to sales reps, specific measures to recover VNB, and the relationship with the Group Head, Protection Business (Japan) based on matrix management framework. In particular, we consistently ensure that the relationship between business owners and CXOs are functioning smoothly and that no issues arise. Although discussions at the Board of Directors are time-constrained, engaging in individual dialogues allows us to gain deeper insights into actual business operations and challenges, thereby enhancing governance effectiveness. The Office of the Board of Directors, which was previously understaffed, has been significantly strengthened over the past several years. This has allowed us to receive board materials earlier, giving us ample time to review them before meetings. Additionally, the office now serves as an effective liaison between outside directors and the Board Chairman, coordinating discussions based on the requests of outside directors regarding agenda items for board meetings. (Sato)

Q What are your thoughts on the industry challenges and risks that may not be easily recognized by the executive team?

A In the past, life insurance companies operated under a business model where, for example, in a family of four, the husband would secure substantial death benefits for his wife and children, with sales reps making home visits. However, such family structures are becoming less common today. For example, societal needs are

diversifying, with more dual-income households and an increasing number of younger people choosing not to start families. Failing to recognize these shifts may present a business risk. (Sato)

We always remain aware that what is considered common sense in the industry may not align with societal norms, and we believe that one of the important roles of outside directors is to bring an external societal perspective into the company. For example, in compliance matters, simply checking off items on a formal checklist is insufficient. It is essential to evaluate whether actions truly serve customers' best interest and whether what is considered common sense within the company aligns with broader social expectations. (Miller)

Q To ensure thorough customer-oriented financial services, such as the proper operation of comparative recommendation sales in domestic life insurance sales, how do you assess and prepare for new risk factors in bancassurance and agency sales.

A The competitive environment in the agency channel is very challenging, but based on discussions with NFL, we believe that the proper operation of comparative recommendation sales is being appropriately managed. In addition, we believe that DFL through audits and interviews has led us to conclude that bancassurance operations are also being properly conducted. (Sato)

Even in a highly competitive environment, it is crucial to strike a balance between thoroughly fulfilling fiduciary duties and enhancing customer engagement. (Miller)

Q Do you proactively ask questions or provide opinions on executive team reports from the perspective of outside directors, rather than simply accepting the executive team's framing of issues?

A For example, we have proactively requested executive team to review the U.S. business and explain the Group's human resources strategy. Additionally, we have requested an explanation regarding the direction of the asset management business. (Sato)

Outside directors do not take the executive team's report at face value; we conduct independent research on related matters beyond the provided materials before engaging in discussions at Board of Directors meetings. (Miller)

Q I believe that one of the roles that shareholders expect of outside directors is to serve as a backstop on the Board of Directors. Have you ever actually expressed your opposition in a resolution of the Board of Directors? If so, I

would like to hear the details.

A In the two and a half years that I have been an outside director, I have never voted against a formal resolution. However, it was natural for me to express different opinions during the discussion phase prior to reaching a resolution. At the Board of Directors meetings and pre-briefing sessions, the executive team's proposals were fully discussed, including different opinions, to reach a final consensus. (Miller)

Q How has the Board of Directors discussed the increasing shareholder activism? Has it been a specific topic of discussion at the Board of Directors meetings?

A We recognize shareholders' opinions are extremely important. The executive team also values dialogue with shareholders, and the content of the dialogue is promptly shared with outside directors. In addition, when opinions are received from shareholders to the Board of Directors, the Board of Directors decides how to respond after discussion. (Sato)

Q Recently, there has been an increase of large-scale acquisitions by mutual companies, but will these changes in the M&A market environment affect the Dai-ichi Life Group's investment decision-making?

A We have never considered that the large-scale M&A deals by mutual companies to be an obstacle to the Group's strategic investment decision-making. We recognize that the executive side is examining the opportunities in terms of whether they are necessary to achieve the Group's vision for FY2030, and all opportunities are being selected from that perspective. (Sato)

Q Do you feel that the governance of overseas subsidiaries needs to be improved going forward?

A We do not manage our overseas subsidiaries in a centralized manner, but rather in a "federal system," which is based on independent management in accordance with the legal systems and market environments of each country. In other words, HD executives are not directly involved in the management of overseas subsidiaries. On the other hand, regional headquarters based in Singapore and New York deeply communicate with overseas subsidiaries. In addition, International Life Insurance Business head and executives in charge in HD visit overseas subsidiaries to communicate with the management of each company. (Sato).
We believe it is important to respect the independence of overseas subsidiaries. On the other hand, the CXO system will bring more control than in the past. As the CXO

system has just been introduced, we do not think it is the right time to make new changes regarding the governance of overseas subsidiaries. (Miller)

Q What are your thoughts on initiatives concerning the appointment and diversity of executive personnel?

A Our group has been increasing the ratio of mid-career hires and actively recruiting talents from outside the company. In some cases, people from competing companies have joined the Group, and the executives are working to create an environment in which human resources from various backgrounds can play an active role. In addition, female and non-Japanese directors are increasingly participating on the board of directors, which are promoting diversity. On the other hand, we are aware that in the U.S., there is a movement to reconsider the promotion of DE&I, and the executives have indicated the need to pay attention to external disclosure and other matters. (Sato).

We believe that sometimes necessary personnel should be acquired from other companies. In the past few years, we have recruited many executives and their subordinate positions from outside the company. There are also many excellent employees who have been with our group since the beginning of their careers, and it is important to combine them with externally recruited human resources. So far, I think it is working well. The emphasis on diversity is to secure talented human resources, and while there may be cases where we need to pay attention to external disclosure going forward, I believe that the direction of our initiatives will not change. (Miller)

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

[Abbreviated company names]

HD: Dai-ichi Life Holdings, DFL: Dai-ichi Frontier Life, NFL: Neo First Life

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