

**(Unofficial Translation)**  
**Business Strategy Presentation**  
**(International Life Insurance & New Fields of Business)**  
**Q&A Summary**

Date: July 17, 2025, 13:00-15:00 (JST)

Respondent: Hitoshi Yamaguchi, Representative Director, Senior Managing Executive Officer  
(Business Head, International Life Insurance)

Brett Clark, CEO and Managing Director, DLI Asia Pacific PTE. LTD.

Kentaro Ogata, Managing Executive Officer (Business Head, New Fields of Business)

Norio Shiraishi, President, Benefit One Inc.

Taisuke Nishimura, Executive Officer (Group CFO)

Akifumi Kai, Executive Officer

**Part1: International Life Insurance Business**

**【Asia Pacific Business Strategy】**

**Q: On page 13 of the presentation material, you mention the need to expand into new regions for growth. Which markets do you consider attractive?**

A: In Asia-Pacific region, we aim to expand into new markets in addition to the three regions (Oceania, Mekong, and India) where we have already entered. The Asia-Pacific region has a variety of markets, but we believe that synergies can be created among group companies especially in areas with similar cultures and market characteristics.

We have already established a strong position in the Oceania region, and through the acquisition of PNZ in New Zealand and the investment in Challenger in Australia, our presence in Australia and New Zealand has been further enhanced. In the Mekong region, we have successfully built a robust presence, particularly in Vietnam, and further growth is expected in Cambodia and Myanmar. Furthermore, we have high expectations for the future growth of the business in India. However, there are gaps in some regions compared with the growth strategies that were envisioned when we first entered these markets, and we carefully need to monitor these areas over the next two to three years. On the other hand, Singapore, Malaysia, and the Philippines are among the countries being considered as potential new markets. Although no decisions have been made at this time, we are actively exploring the possibility of expanding into these countries and regions. (Brett)

**Q: In Asian emerging countries, what initiatives do you think are necessary to achieve sustainable and reliable profit growth and profit contribution? For example, it appears that there are regions such as Vietnam and Thailand where growth has not been entirely smooth. While many insurance groups recognize that these markets have substantial potential for**

**growth, there are also cases where stable growth in terms of profits is not apparent. I believe that uncontrollable external factors, such as changes in the regulatory environment and macroeconomic instability, are affecting these outcomes.**

A: The Asia-Pacific region is a diverse market, with each country and region facing different circumstances, opportunities, and challenges; therefore, it is essential to recognize market fluctuations accurately and respond accordingly. Especially, in the early-stage emerging markets, profit growth and the quality of the sales network are key factors to generate sustainable profit. This is the same as India. In India, we have secured future growth opportunities through partnerships with two partner banks - Bank of India and Union Bank of India - as a growth platform. In the Oceania region, comprehensive management including top-line expansion, capital management, and sound cost control, etc., is required to achieve profit growth. Since it is not possible to apply a uniform strategy across the Asia-Pacific region, we have adopted an approach that sets appropriate strategies and priority areas and reflects the characteristics, maturity, and regulatory differences of each market. (Brett)

**Q: From FY2024 to FY2026, DLIAP aims to expand its adjusted profit in the Asia-Pacific region from ¥57.6bn to ¥80bn, and further to over ¥150bn by FY2030. Although the period until FY2026 is relatively short at two years, I would like to ask how DLIAP plans to achieve this.**

A: From FY2024 to FY2026, we plan to increase adjusted profit in the Asia-Pacific region from ¥57.6bn to ¥80bn. We have formulated business plans for all businesses from both short-term and long-term perspectives, and we intend to gradually close this profit gap through the growth of each business. At the same time, we recognize that achieving this target through only organic growth will be difficult. Thus, we aim to achieve the ¥80bn target through portfolio expansion. The collaboration with Challenger is a good example. Through this collaboration, we are expecting to contribute ¥9bn to ¥10bn in adjusted profits. We believe that this will enable us to cover approximately half of the remaining ¥20bn gap by FY2026. We plan to address the remaining gap through organic growth in existing businesses and by exploring inorganic growth opportunities. (Brett)

#### **【Collaboration between TAL and Challenger】**

**Q: I believe that banks will be strong competitors in the retirement market, including wealth management, where TAL is entering with Challenger in Australia. Compared to banks, what are the strengths as an insurance company in this area?**

A: Currently, many banks in Australia have withdrawn from wealth management and life insurance businesses, and focus solely on banking operations. As a result, new opportunities for market entry and business expansion are emerging for life insurance companies and retirement service providers. Superannuation funds in Australia play a central role in wealth management, asset management, life insurance, and retirement services. Life insurance and retirement products are

typically not developed in-house by Superannuation funds. Instead, they are provided in partnership with external service providers such as insurance companies. TAL is able to pursue a profitable strategy by providing life insurance to these Superannuation funds. As Australians transition from the savings phase to the retirement phase, the importance of such external service providers that can offer diverse retirement products and services is increasing.

In this market environment, TAL and Challenger are in a relatively advantageous position over competitive companies. In particular, their ability to offer protection products addressing income protection and longevity risks is a strength that banks lack. (Brett)

**Q: Please explain the synergies expected between TAL and Challenger.**

A: TAL and Challenger possess distinct strengths that complement each other. As a result, there is significant potential for future partnerships and collaboration. TAL specializes in insurance products and has strong ties with Superannuation funds. Challenger excels in sales through IFAs (Independent Financial Advisors) and retirement products. Through the collaboration, the two companies can leverage their respective strengths to offer innovative and unique solutions. One example of this is the partnership announced on July 15 with Insignia Financial's Superannuation fund. Insignia Financial is one of Australia's top 10 Superannuation funds and is seeking solutions from third parties. Challenger has been entrusted to provide retirement products and services to the fund's investors. Through the scale and complementary capabilities of TAL and Challenger, it will be possible to offer comprehensive solutions to the investors of Insignia Financial's fund. We believe that through the collaboration between TAL and Challenger, similar new opportunities will continue to emerge in the future. (Brett)

**Q: As TAL expand the collaboration with Challenger, is there a possibility that the current 19.9% equity stake will become a limiting factor?**

A: The target shareholding ratio has been 19.9% from the outset, which is the regulatory limit for investments in listed companies in Australia. We are currently in the process of completing the necessary procedures to obtain final regulatory approvals, which are expected to be completed within a few weeks. Following this, we plan to hold further discussions with Challenger regarding governance enhancements and opportunities for collaboration. This investment is expected to contribute to the realization of our growth objectives in the Asia-Pacific region and to enhance capital efficiency, thereby contributing the entire Dai-ichi Life Group. (Brett)

**Q: Toward achieving long-term goals in the Asia-Pacific region by FY2030, I understand that TAL and Challenger plan to collaborate in same way as they do with Insignia Financial to capture assets from the retirement population under the superannuation system and develop and sell products utilizing these assets. Could you explain your expectations regarding the scale of assets that you anticipate capturing through this initiative?**

A: The collaboration with Insignia Financial is an initiative that supports the organic growth of both TAL and Challenger and represents an opportunity in terms of scale expansion. While the short-term contribution to profits may be limited, we will continue to explore such opportunities and work toward achieving our medium to long-term profit targets. (Brett)

**Q: Please tell us if there are any AUM targets.**

A: We have not set any specific numerical target for AUM. (Brett)

### **【U.S. and European Operations】**

**Q: Regarding the positioning of U.S. business, political risks such as Section 899 and market volatility are increasing. Please let us know if there are any changes from your previous view.**

A: The U.S. market is considered an important market in terms of market size and growth potential, and we have been consistently focusing on it. There is no change to this basic policy, but the competitive environment has become increasingly challenging. We also have to address capital regulations such as ICS (Insurance Capital Standard) and RBC (Risk-Based Capital), and in the U.S. market, it is necessary to meet both standards. Under these constraints, pursuing a capital-light business model has become important, and we are advancing our strategy in this direction. Specifically, we acquired ShelterPoint last fiscal year and will continue to explore growth opportunities. Additionally, we closely monitor and respond cautiously to market fluctuations and tax regulatory changes under the Trump administration. We are proceeding with these efforts in close collaboration with PLC. From a portfolio-wide perspective, the importance of the U.S. market remains unchanged, but we are also advancing regional diversification to stabilize our revenue base. As part of this effort, we have decided to invest in M&G in the UK. (Yamaguchi)

**Q: I believe that an inorganic strategy will be developed to generate ¥150bn in profits from outside the Asia-Pacific region by FY2030. What kind of insurance companies will be targeted, and how large-scale would they be, if you have any specific directions?**

A: We need to grow in other regions in addition to the Asia-Pacific region, and the core of this growth will be in the U.S. We intend to achieve further growth through acquisitions by PLC. In addition, we prefer capital-light areas for acquisitions, and believe that the employee benefits area (group insurance) such as ShelterPoint and the asset protection business are good potential targets for acquisitions. We are also discussing internally how far we can grow these businesses. In Europe, as we have just entered the U.K. market, we firstly focus on organic profit growth. Then, we will consider next steps for further development of the businesses. In considering the plan, we understand it is important to make sure that we meet the requirements of financial discipline and capital efficiency. (Yamaguchi)

## **Part 2: New Fields of Business**

### **【Strategy for New Fields of Business】**

**Q: Regarding the “Exploring adjacent areas (platforms)” and “Expanding into high-growth areas” mentioned on page 6 of the presentation material, what specific investments have you made so far and what do you expect to make in the future? In recent years, other financial groups have been investing large amounts in DX and AI, and I understand that the competitive environment is extremely severe.**

**A:** We are in the process of discussing various future investments opportunities. For the past several years, we have been exploring business development, including the launch of our own services, in the healthcare area, which is considered to have a high affinity with insurance. However, the hurdle to monetizing this business is high in Japan due to the universal medical care insurance. Going forward, we would like to narrow down the fields in which we can expand while securing a certain level of profitability as an insurance company's unique approach to the healthcare domain. Rather than making a large investment of the same scale as Benefit One, we intend to create new services by investing or forming alliances to acquire the necessary functions based on collaboration and synergy with Benefit One. Regarding the digital and AI fields, other financial institutions have invested heavily in recent years, and in some cases, foreign companies have invested extraordinary amounts. We don't intend to invest in New Fields of Business on their own, but as part of our overall investment in the platform, considering it an essential investment for the entire group. We believe that New Fields of Business will also be developed on such a company-wide platform. (Ogata)

### **【Benefit One-related】**

**Q: Regarding Benefit One's sales and membership, in the past, sales have expanded in line with membership growth. However, in recent years, excluding business acquisitions, sales appear to have been slowing down. What are the factors? Also, what level of operating income can be expected if the number of members reaches 120 million in 5-6 years and membership fees are waived?**

**A:** Despite an increase in the number of members, the primary reason for the lack of significant revenue growth in recent years is the special circumstances in the healthcare business caused by the COVID-19 pandemic. The COVID-19 pandemic made it difficult for the healthcare business to conduct most of its sales activities. With health checkups suspended during the pandemic, we were unable to conduct sales activities for our health checkup appointment booking service. However, the vaccine administration support service launched during this period temporarily contributed significantly to revenue and profits. As the pandemic subsided, revenue and profits from the vaccine administration support business disappeared, resulting in a situation where, despite an increase in membership numbers, overall revenue and profits appear to be stagnant. We also estimate that if we acquire 120 million members in the future and monetize the payment

business through payroll deduction, we will be able to secure operating income of at least ¥100bn, although this will depend on assumptions such as total distribution volume, settlement commission rates, and cost structure. (Shiraishi)

**Q: From the perspective of President Shiraishi, who has established the leading digital service platform in Japan -Benefit One- , do you feel that the current initiatives being undertaken by the Dai-ichi Life Group are sufficient, or do you recognize that they will be difficult to realize without further acceleration?**

A: When Benefit One was first established, we received investment from another life insurance company. At that time, we were in discussions about similar initiatives that we are currently pursuing with the Dai-ichi Life Group, but we had to give up on the half way through the discussions because the organization was so large that we could not move forward. About 30 years have passed, as we were proceeding with similar discussions with the Dai-ichi Life Group, we were surprised at the difference in culture despite being in the same life insurance industry. The Dai-ichi Life Group has an atmosphere of a venture company in a good way, and for me, with a background in a venture company, the speed of change was very impressive. To be honest, during the first year, while HD showed an understanding of Benefit One's style and approach, DL seemed to have a somewhat detached attitude toward Benefit One's projects. However, change was very rapid. The reaction of the sales reps, which I had been particularly concerned about, has changed dramatically over the last few months, and they have gradually come to see the project as their own. As a person who worked in a mega-venture company, I feel frustrated sometimes when progress is slow, but I have high expectations for the speed of change in the Dai-ichi Life Group. I cannot say that we are at 100 points, but I feel that we have reached the stage where we have gone from 0 points to 30-50 points. Based on experience, initiatives that have reached 50 points are expected to reach 100 points quickly, and I am excited for the future. (Shiraishi)

**Q: Regarding Payroll Deduction Payments, please provide specific figures, such as the number of companies currently implementing the system, number of user, its relationship with DL's group insurance contracts, and mid-term membership targets and projected revenue per contract.**

A: Payroll Deduction Payments currently has approximately 500,000 accounts, which is still in its early stages considering the total membership base of 10 million. While promoting understanding among corporate HR representatives regarding Payroll Deduction Payments using this service is a challenge for expanding its adoption, a major transportation service company has decided to adopt it, and it is expected to spread to other corporations in the future. From a revenue standpoint, Payroll Deduction Payments is expected to generate high operating income based on the estimated number of members and monthly spending, and is characterized by its high profitability. From the perspective of member stores, compared to traditional credit card payments, the service

offers a cost advantage of about 0.7-0.8% in the merchant fee rate due to the low operational costs from paperless and digital processing, and has lower risk as payroll accounts are used as the payment source, giving it competitive strength. This is a business that has the potential to significantly change the financial business model, and we intend to focus our efforts on it. (Shiraishi)

**Q: Specific growth targets were set when DL acquired Benefit One. Could you provide the target figures and an update on current progress?**

A: The Mid-term Management Plan sets a target of achieving group adjusted profit of over ¥600bn by 2030, with contributions from New Fields of Business including Asset Management Business expected to account for over 10% (¥60bn or more). Of this amount, adjusted profits from Benefit One is expected to be approximately ¥20bn. At present, the Benefit One's adjusted profit is approximately ¥4.5bn, with its contribution to the group adjusted profit amounting to approximately ¥2bn. From this current situation, the plan is to expand this to approximately ¥20bn on adjusted profit basis by 2030. (Kai)

**Q: Regarding the synergies between Benefit One and DL, does DL expect synergistic effects such as expanded sales of executive insurance? If synergies are expected, please also provide information on the time frame and scale.**

A: Synergies are emerging on the DL side as well. In the previous fiscal year, with regard to new members on the Benefit One platform, approximately 250,000 were acquired through DL, reaching a cumulative total of 340,000 as of June 2025. These members are linked to approximately 770 corporate clients, of which more than 300 companies (approximately 40%), are so-called "uninsured companies," meaning they currently have no insurance contracts with DL. There is room to stimulate insurance needs and strengthen insurance sales for these companies. We have already secured executive-insurance contracts with approximately 10% of these companies, and we believe there is significant potential for further synergy expansion. Additionally, insurance sales leveraging the Benefit One digital platform are an important synergy opportunity, and we are currently exploring which insurance products to place on the platform. We plan to provide an update during FY2025. (Kai)

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

[Company name abbreviation] HD: Dai-ichi Life Holdings, DL: Dai-ichi Life, PLC: Protective, PNZ: Partners Life, DLIAP: DLI Asia Pacific

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