

Special IR Meeting with Outside Directors

Q&A Summary

Date: October 15, 2025, 1:00 PM-2:20 PM (JST)

Respondent: Ichiro Ishii, Outside Director

Satoshi Nagase, Outside Director (Audit and Supervisory Committee Member)

Taisuke Nishimura, Executive Officer (Group CFO)

Akifumi Kai, Executive Officer

Q: Based on your experience at Tokio Marine Holdings (“Tokio Marine”), could you explain the challenges and bottleneck involved in M&A for life insurance companies? In addition, how can your insights be applied to the management of HD?

A: (Ishii) At Tokio Marine, I experienced numerous M&A transactions, and I evaluate that our M&A process is fundamentally quite well-developed with a similar framework. Tokio Marine leveraged first-mover advantages to successfully close a series of deals in North America. However, the external environment is now more challenging than at that time, with intensified competition making target selection and deal terms increasingly stringent. Furthermore, compared to the Tokio Marine of that time, HD's business domains are broader, encompassing life insurance, asset management, and new fields of business. The scope of potential targets has expanded further, driven by the shift towards insurance and related services and the focus on providing value tailored to different life stages. While this broadens possibilities, it cannot be denied that the difficulty level has also increased.

The biggest challenge is post-merger integration (PMI). Tokio Marine's success stemmed from taking appropriate actions at each PMI stage. Since stumbling in PMI impacts M&A success, completing PMI is crucial for HD as well. To steadily advance PMI, we are currently focusing on talent development and engaging external experts. However, as the scope of target areas expands, the required capabilities and experience levels are becoming increasingly sophisticated and specialized. The challenge going forward is how to recruit and secure highly skilled talent, and we must determine the optimal solution as we implement our plans.

Q: Regarding DL's asset management, what are the challenges and room for improvement going forward?

A: (Nagase) DL possesses extensive expertise and experience in managing traditional assets such as yen-denominated bonds and domestic real estate, stemming from its long-standing asset management practices rooted in the domestic life insurance business. However, from the perspective of asset management to match ultra-long-term insurance liabilities, there are limited

investment options within Japan. We believe it is reasonable to increase alternative investments such as private credit, which are expanding primarily in the U.S., since managing ultra-long-term liabilities inherently involves relatively higher liquidity risk. However, we need to consider going forward whether our group should remain strictly an “asset owner” or fully develop its function as an “asset manager.” While both functions are currently utilized separately by business area, we need to consider going forward whether, by FY2030, we position the asset management business as a vehicle for managing assets corresponding to life insurance liabilities, or as an independent business providing asset management services to third-party institutional and individual investors. Depending on the outcome of this consideration, the capabilities required by our group and the time needed to respond will differ significantly.

Q: Regarding the management structure for overseas operations, how do you evaluate the status of the matrix-type management structure that HD has been advancing in recent years? Also, which model do you think is more suitable for HD, so-called “federal system” like Tokio Marine, which retains the management teams of acquired companies, or the centralized management structure adopted by some European companies?

A: (Ishii) The information I have about Tokio Marine is from my time there, so I cannot make a side-by-side comparison at this point. However, I recognize that the difference between our company and Tokio Marine lies in the breadth of areas where the CxO can provide cross-functional oversight. Tokio Marine adopted a federal system, where the CxO primarily reported to the CEOs of each location. In contrast, I feel HD has a stronger inclination toward centralizing corporate functions. HD also differs from Tokio Marine in its active recruitment of external talent. The approach of pursuing centralized governance through highly specialized talent resembles the European model. While this offers the advantage of enabling cross-functional governance over complex issues common to all locations, I recognize challenges remain. Whether this leads to positive outcomes will require future review.

Q: Regarding domestic risks such as sovereign downgrades and surrender risks, what concerns are being discussed at the Board of Directors (BoD)’ meetings?

A: (Nagase) Regarding the mass lapse risk, discussions are being led by the Group CRO (Chief Risk Officer). My initial impression was that the assumptions used in the risk calculation appeared quite stringent. However, considering recent interest rate trends and other factors, I now feel that it is not appropriate to judge the likelihood of occurrence based solely on past cases. Further in-depth discussion is necessary on this matter.

Regarding sovereign risk, my personal and candid opinion is that I sincerely hope Japan's sovereign credit rating will not be downgraded.

Q: Since FY2024, PLC has implemented cost reduction initiatives and strategic reinsurance transactions. What is Mr. Nagase's view on the current relationship between HD and PLC, particularly in terms of the quality of communication and the speed of decision-making?

A: (Nagase) Although I am not fully familiar with the background and there may be some points I have not fully grasped, I believe that PLC, which is subject to U.S. capital regulations, may not have been entirely convinced about the measures taken to comply with Japanese regulations. Through continuous dialogue with HD, PLC's management came to understand the necessity of addressing capital regulations and has carried out initiatives such as large-scale reinsurance transactions. I evaluate that communication between the two companies has improved significantly. On the other hand, since there is a North American regional headquarters (DLI NORTH AMERICA INC.) between HD and PLC, communication can become complicated, and decision-making can sometimes take time. I recognize this as an area for improvement.

Q: Given the long-term liability structure of the life insurance business and the challenges associated with risk diversification, I understood that HD is focusing on strengthening "capital-light" areas, particularly the asset management business. If HD's business portfolio were to undergo a major review in the future, which areas or business structures would be considered priorities for change?

A: (Ishii) Structural transformation of the business model is a challenge shared not only by us but also by the entire life insurance industry in Japan, and it is not easy to implement. In terms of overseas expansion, it is crucial to generate new growth from non-insurance areas, including the asset management business, in addition to the traditional life insurance business. I believe the key to the future is how to lighten the existing life insurance business, rather than simply pursuing M&A.

Q: Since Mr. Kikuta's appointment as CEO, HD's stock performance has ranked lowest among the 6 domestic insurance companies. With the goal of achieving a market capitalization of ¥6 trillion by the end of FY2026, how does the BoD analyze the factors contributing to the current lack of stock price growth? Please explain your personal view.

A: (Nagase) At the BoD and the Mid- to Long-Term Strategy Review Committee, various discussions are taking place on which measures can contribute to achieving the market capitalization target. I believe that the main reason for the stock's stagnation is insufficient investor confidence in future growth potential, returns generated from past investments, and the stability of profits. In addition, although the accounting-based net income forecast for this fiscal year is projected to decline, the adjusted profit (a non-GAAP measure), which more accurately reflects our underlying performance,

is not expected to decrease significantly. However, this difference may not be fully understood by investors, and in some cases, investment decisions are based on net income rather than adjusted profit, which could be a contributing factor to the stock's underperformance. Moving forward, it will be essential to communicate clearly to the market and comprehensively that the high profits reported in the previous fiscal year (FY2024) are not temporary, and that profits are being steadily generated from prior investments.

(Ishii) At the BoD and the Mid- to Long-Term Strategy Review Committee, we pay attention to the level and relationship between our group's adjusted ROE, PBR, and PER, and analyze what is lacking compared to global peers that are growing stably. Since it is difficult to achieve high ROE and PER in the life insurance business alone, we are promoting diversification of our business portfolio and also discussing strategies to avoid conglomerate discounts. Although addressing these issues is complex and challenging, we will continue our efforts to find effective solutions.

CFO Update

Q: While the surrender risk is relatively high for single-premium saving-type products, my understanding is that large losses on asset sales are unlikely to occur due to the short duration of the underlying assets. On the other hand, considering the recent rise in interest rates in Japan, could you confirm whether there have been any notable changes in the surrender rate compared with historical trends?

A: (Nishimura) As we disclose the surrender rate data on a quarterly basis, there have been no significant changes in the surrender rate even during the current rise in interest rates. The recent sales of saving-type products have been primarily driven by DFL. The average age of policyholders of DL's single-premium saving-type products is approximately 65 years, and the remaining policy term is about 10 years. Therefore, we do not expect a significant impact on surrender rates going forward.

Q: On page 17, it is stated that there has been a switch from DL's single-premium savings-type insurance to DFL's foreign currency-denominated insurance products. Does this chart show the surrender rate in the bancassurance channel or the sales representative channel? In addition, with respect to the product groups without Market Value Adjustment (MVA) sold through bancassurance channels, which part of this chart should be referred to in understanding the segments with surrender risk?

A: (Nishimura) This chart shows the surrender rate for DL on a standalone basis in the sales representative channel. DL does not offer its own insurance products through bancassurance channels; instead, DFL's insurance products are sold. The increase in the surrender rate observed

in Q3 FY2023 reflects a certain level of switching from DL's products sold in the past to DFL's foreign currency-denominated insurance products in the sales representative channel. Many of the DFL products sold through bancassurance channels include MVA features, which helps prevent arbitrage transactions arising from interest rate fluctuations.

Q: Regarding DL's single-premium savings-type products, I understand that even if surrenders occur, the impact will be limited given the unrealized losses. On the other hand, is it correct to assume that unrealized losses would be realized to a certain portion if saving-type insurance among level-premium products is surrendered?

A: (Nishimura) As you pointed out, for level-premium savings-type insurance and individual annuities, the insured tend to be relatively younger compared with single-premium products, and we recognize that the launch of more attractive products could lead to switching behavior in the future. This tendency is particularly pronounced for individual annuities; however, we aim to encourage internal transfers between DL products through insurance reviews, thereby managing them without causing external outflows or asset sales.

Q: Is there a mechanism to prevent the occurrence of situations such as those shown in the chart on page 17 in level-premium products?

A: (Nishimura) The performance evaluation system for DL's sales representatives is structured to disincentivize product switching, for example, by clawing back a portion of credited sales performance when policies are switched.

Q: What have been the levels of assumed interest rate for level-premium savings-type and protection-type products just before the introduction of negative interest rate policy, immediately after the introduction, and at present? In addition, the standard yield rate for level-premium products remains at a low level, and given the methodology used to determine the rate, it is expected to stay at the current level for the time being. Although the burden of the provision for policy reserves would increase, is there a possibility of raising the assumed rate of return sooner?

A: (Nishimura) Of the approximately ¥21.5 trillion in policy reserves, about ¥8 trillion represents assumed interest rate above 2.75% and around ¥13 trillion represents assumed rate of return below 2.75%. While there are many single-premium savings-type products with assumed interest rate of around 1.5%, approximately ¥8 trillion represents the rates above 2.75% for level-premium products. The annuity products on sale incorporate a mechanism that tracks market interest rate, making it less likely for policyholders to have an incentive to surrender their policies. Given the

mass lapse risk of traditional insurance products, we take a cautious stance on significantly raising assumed rate of return.

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, DFL: Dai-ichi Frontier Life,
PLC: Protective

[Disclaimer]

In preparing this document, Dai-ichi Life Holdings Co., Ltd. (hereinafter referred to as "the Company"). The Company relies on and assumes the accuracy or completeness of any information available to the Company, but does not make any representations or warranties as to the accuracy or completeness of such information. The information contained in this document is subject to change without prior notice. This material and its contents may not be published or used by any third party without the prior written consent of the Company.

Forward-looking statements made herein are forward-looking statements. Forward-looking statements include, but are not limited to, words such as "believe," "anticipate," "plan," "strategy," "expect," "anticipate," "predict" or "potential" or other similar expressions describing future business activities, performance, events or circumstances. Forward-looking statements are based on the judgment of the Company's management based on currently available information. As a result, these forward-looking statements are subject to a variety of risks and uncertainties, and actual results could differ materially from the expectations expressed or implied in the forward-looking statements. Therefore, you are cautioned not to rely on any forward-looking statements. In light of new information, future events, or other discoveries, we undertake no obligation to change or revise any forward-looking statements.