News Release

Dai-ichi Life Holdings, Inc.
13-1, Yurakucho 1-chome, Chiyoda-ku,
Tokyo 100-8411, Japan
http://www.dai-ichi-life-hd.com/en/

Dai-ichi Life Holdings

[Unofficial Translation]

March 31, 2021

Dai-ichi Life Group Medium-Term Management Plan Re-connect 2023 covering fiscal years 2021 to 2023

-- Contributing to the well-being of all and achieve a bright future in harmony with society --

Dai-ichi Life Holdings, Inc. (the "Company"; President: Seiji Inagaki) today released the Dai-ichi Life Group medium-term management plan "Re-connect 2023" covering fiscal years 2021 to 2023.

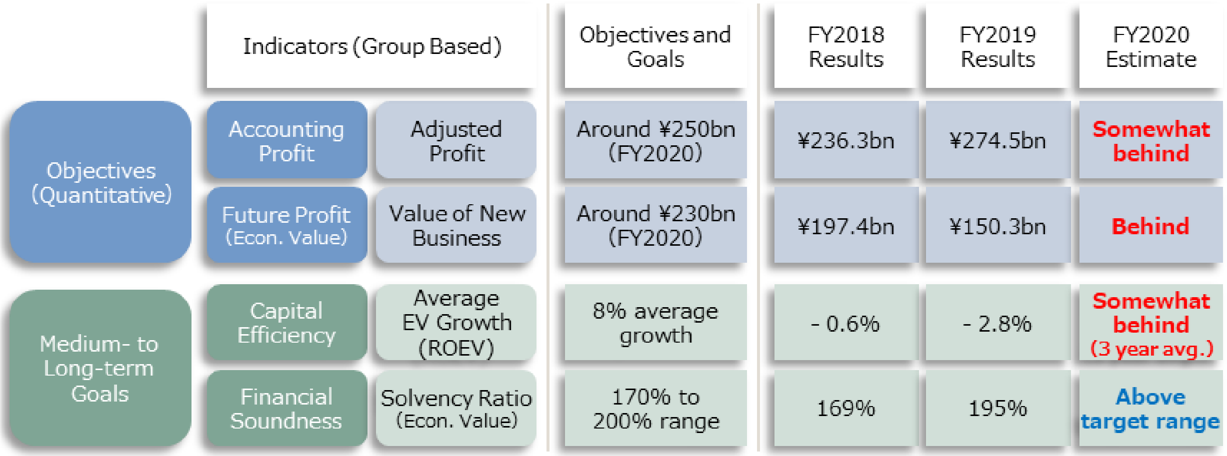
1. Review of the previous plan "CONNECT 2020" covering fiscal years 2018 to 2020

Under the previous plan, we went back again to our roots as an insurance provider amid the COVID-19 crisis and took on various initiatives to resolve social issues and improve the quality of life of our policyholders. We also took action from both growth and discipline aspects, including expanding our business foundation, promoting digitalization and establishing a risk-reduction policy.

On the other hand, incidents that shook the confidence of policyholders and society in us were discovered, leaving major challenges to be addressed in the new plan, ranging from how we interact with policyholders to changing employee mindset to reform our corporate culture.

With regard to quantitative targets we set forth, while taking into account changes in the external environment, we engaged in initiatives to further strengthen the "Three Growth Engines (domestic life insurance, overseas life insurance and asset management)." Indicators generally made steady progress over the initial two years with group adjusted profit exceeding our target level in fiscal year 2019.

For fiscal year 2020, the final year covered by the plan, with the exception of the economic solvency ratio, a soundness indicator, quantitative targets are expected to fall short due to the impact of self-restraint on sales activities and changes in financial market conditions triggered by COVID-19.



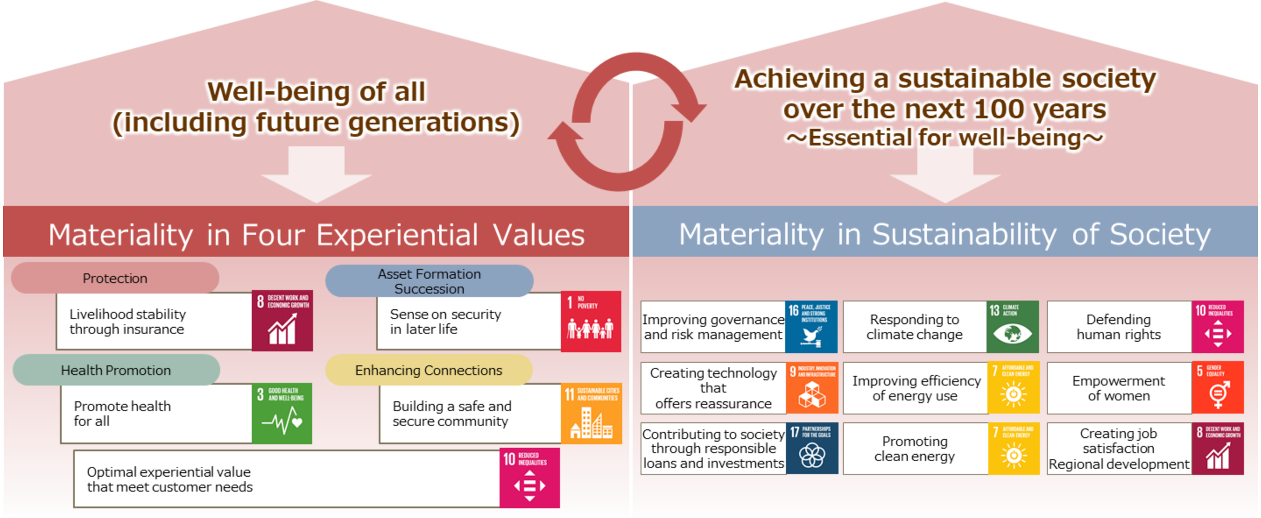
	Indicators (Group Based)		Objectives and Goals	FY2018 Results	FY2019 Results	FY2020 Estimate
Objectives (Quantitative)	Accounting Profit	Adjusted Profit	Around ¥250bn (FY2020)	¥236.3bn	¥274.5bn	**Somewhat behind**
	Future Profit (Econ. Value)	Value of New Business	Around ¥230bn (FY2020)	¥197.4bn	¥150.3bn	**Behind**
Medium- to Long-term Goals	Capital Efficiency	Average EV Growth (ROEV)	8% average growth	- 0.6%	- 2.8%	**Somewhat behind** (3 year avg.)
	Financial Soundness	Solvency Ratio (Econ. Value)	170% to 200% range	169%	195%	**Above target range**

2. Direction of the new plan "Re-connect 2023" covering fiscal years 2021 to 2023

In fiscal year 2022, we will celebrate the 120th anniversary of our founding. We wish to continue to support well-being* in which people can live a prosperous and healthy life with peace of mind across generations. We will extend our business to offer four experiential values (protection, asset formation and succession, health promotion and enhancing connections) to be truly customer centric.

We pursue the well-being of all, and at the same time believe that a sustainable society is essential as we consider a sustainable society to be the foundation of our business. We will extend our efforts to resolve material issues to ensure the sustainability of local communities and society.

* The World Health Organization (WHO) defines well-being as "A state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." We strive to support a safe, prosperous and happy life for people all over the world through our business.



Based on this belief, we will to work together to contribute to the well-being of all by offering experiential values in which we have confidence in, namely peace of mind, prosperity and good health. Our pursuit for well-being of all drove us to change our group vision to "Protect and improve the well-being of all." Under this new vision, Re-connect 2023 sets out to revisit our approach to stakeholders and develop our four key initiatives (domestic strategy, overseas strategy, financial strategy and sustainability & business foundation).

3. "Re-connect" with all stakeholders

Under the new medium-term management plan, we will review our existing approaches to stakeholders and strive to restore their confidence in us and meet their expectations.

(1) Re-connect with policyholders

The misconducts discovered last year at Dai-ichi Life are important lessons for the entire group. We take them very seriously and will revisit our approach to policyholders with hopes to re-engage.

Particularly in our domestic business, we will go back to our roots yet again and transform ourselves to be truly customer centric with our beliefs embedded in our existing products and distribution channels. We aim to become an insurance group of choice. Our core strategy in the new plan is to offer a superior customer experience (CX) through four values leveraging digital technology and provide policyholders with services that enable them to regularly be in touch with us.

(2) Re-connect with business partners

Under our CX strategy, we will reach out to many more external partners with strong digital capabilities, mainly in the healthcare and medical domains while acquiring new organizational capabilities to develop services that contribute to health promotion and disease prevention.

(3) Re-connect with society and environment

A sustainable society is the foundation for our business to create a better future. And to contribute to well-being across generations, we will extend our efforts to resolve material issues to ensure sustainability such as implementing measures to combat climate change.

(4) Re-connect with employees

To restore confidence of our policyholders and society in us, we will build a corporate culture so that each employee can work together to become an effective team.

We will further promote diversity and inclusion, support diverse work styles and exchange talent in order to create an environment in which employees can work with a sense of excitement, connect with colleagues and share ideas to create synergies.

(5) Re-connect with shareholders

In our financial strategy we pursue disciplined capital management based on the ERM framework aimed to overcome our undervalued stock prices with capital efficiency that exceed our capital cost. We will accelerate risk profile reform initiatives, improve financial standing, renew our shareholder payout policy and raise the level of disclosure and dialogue with investors with initiatives that are not simply an extension of past practices.

Please refer to the following attachment for details.

Dai-ichi Life Group
Medium-Term Management Plan
Covering FY2021 to 2023

Re-connect 2023

March 31, 2021

Dai-ichi Life Holdings, Inc.

Dai-ichi Life
Holdings

Re-connect 2023

Positioning of MMP and Group Vision Key Indicators (KPIs)

Positioning of Our New Medium-Term Management Plan

Dai-ichi Life
Holdings

- **Revisit our approach to stakeholders and re-engage amid social changes triggered by the global pandemic**
- **Spend the next three years on extensive transformation for sustainable growth with determination as a group**

2010
IPO

…

2018 2019 2020
Previous Plan

2021 2022 2023
New Management Plan
Efforts to transform

2026
Future
Generating results

Review of our Previous Plan

Deliver products and services that improve quality of life

CONNECT better with customers

Address social issues through our business

CONNECT deeper with communities

CONNECT 2020

Strengthen Relationships

Expand opportunities with outside partners

CONNECT with diverse partners

Further synergies between group companies

CONNECT tighter as a group

Social Impact of COVID-19

Misconduct in Sales Rep Channel

Re-connect 2023

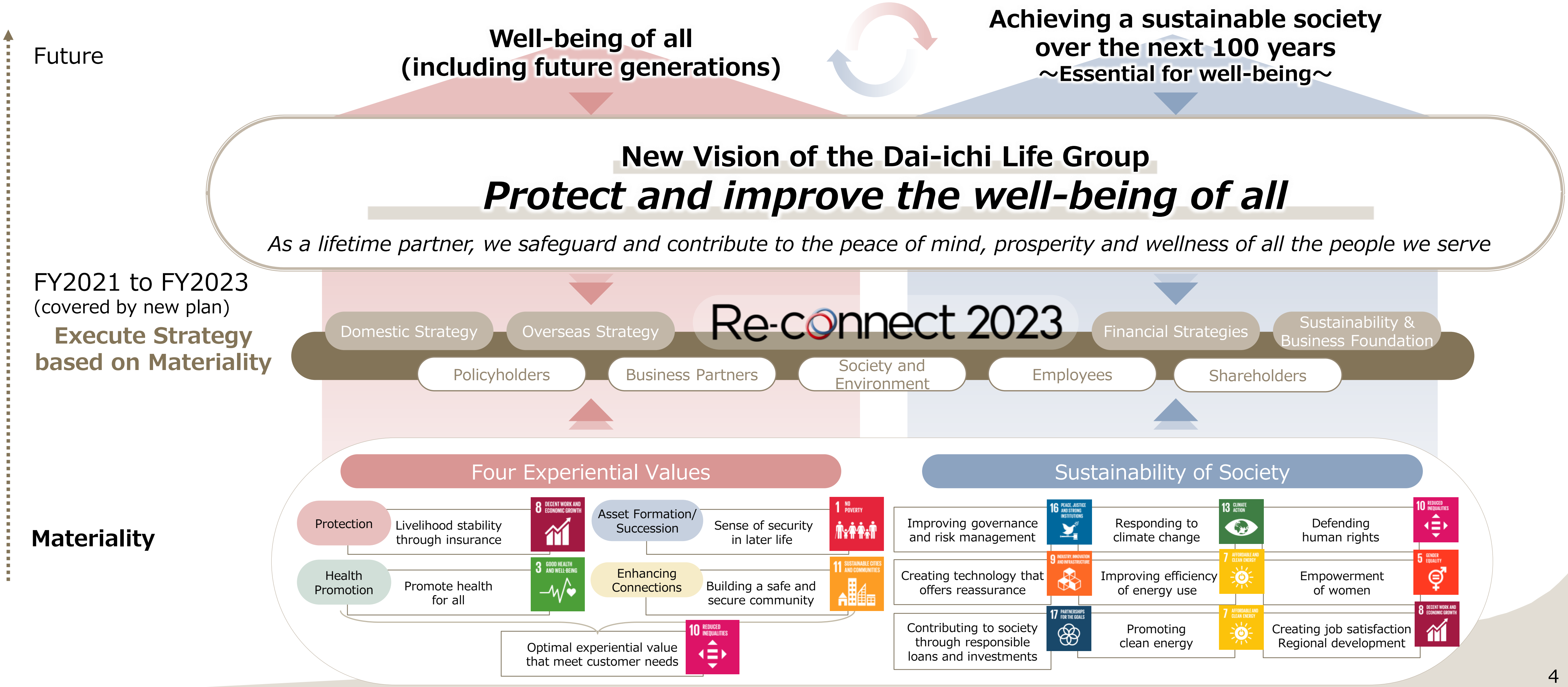
Revisit our approach to stakeholders and re-engage
Harmonize values to transform with a stronger bond among all employees

Dai-ichi Life
Holdings

Take on challenges to transform in three years to secure a foundation for sustainable growth

New Group Vision Based on Sustainability and Materiality

- **Our underlying purpose is to support well-being for a sustainable society over the next 100 years**
- **Contribute to resolve material issues through value propositions beyond the insurance domain**



Future

Well-being of all
(including future generations)

Achieving a sustainable society
over the next 100 years
～Essential for well-being～

New Vision of the Dai-ichi Life Group

Protect and improve the well-being of all

As a lifetime partner, we safeguard and contribute to the peace of mind, prosperity and wellness of all the people we serve

FY2021 to FY2023
(covered by new plan)

Execute Strategy based on Materiality

Re-connect 2023

Domestic Strategy
Overseas Strategy
Financial Strategies
Sustainability & Business Foundation

Policyholders
Business Partners
Society and Environment
Employees
Shareholders

Materiality

Four Experiential Values

- Protection — Livelihood stability through insurance
- Asset Formation/ Succession — Sense of security in later life
- Health Promotion — Promote health for all
- Enhancing Connections — Building a safe and secure community
- Optimal experiential value that meet customer needs

Sustainability of Society

- Improving governance and risk management
- Responding to climate change
- Defending human rights
- Creating technology that offers reassurance
- Improving efficiency of energy use
- Empowerment of women
- Contributing to society through responsible loans and investments
- Promoting clean energy
- Creating job satisfaction Regional development

Current Management Challenges and Key Medium-Term Initiatives

- **Revisit our approach to stakeholders in order to restore their confidence in us and meet their expectations**
- **Strive for sustainable growth with our four key initiatives**

Management Challenges	Policyholders	Business Partners	Society and Environment	Employees	Shareholders
	✓ Address changes in needs and behavior ✓ Incorporate medical and digital technology ✓ True customer centricity	✓ Expand insurance-related services from a customer perspective ✓ Seek collaboration to help resolve social issues	✓ Secure sustainability ✓ Eco-friendly and combat climate change	✓ Improve employee engagement and well-being ✓ Promote active participation of diverse talent	✓ Achieve high capital efficiency ✓ Enhance shareholder payout

Re-connect 2023

Key Medium-Term Initiatives

Domestic Business

Expand existing business while exploring for opportunities beyond insurance

Domestic business model transformation and CX boost by leveraging four experiential values
Structural reform of the sales representative channel and raise efficiency

*CX: Customer Experience

Overseas Business

Build a business portfolio that drives growth

Increase profits in the existing markets and further drive business
Leverage DX to increase CX and further enhance operational efficiency

*DX: Digital Transformation

Finance/ Capital

Improve financial standing and disciplined capital management

Drastically improve capital efficiency by mainly reducing market related risks
Strike a balance between disciplined capital allocation and strong shareholder payouts

Sustainability & Business Foundation

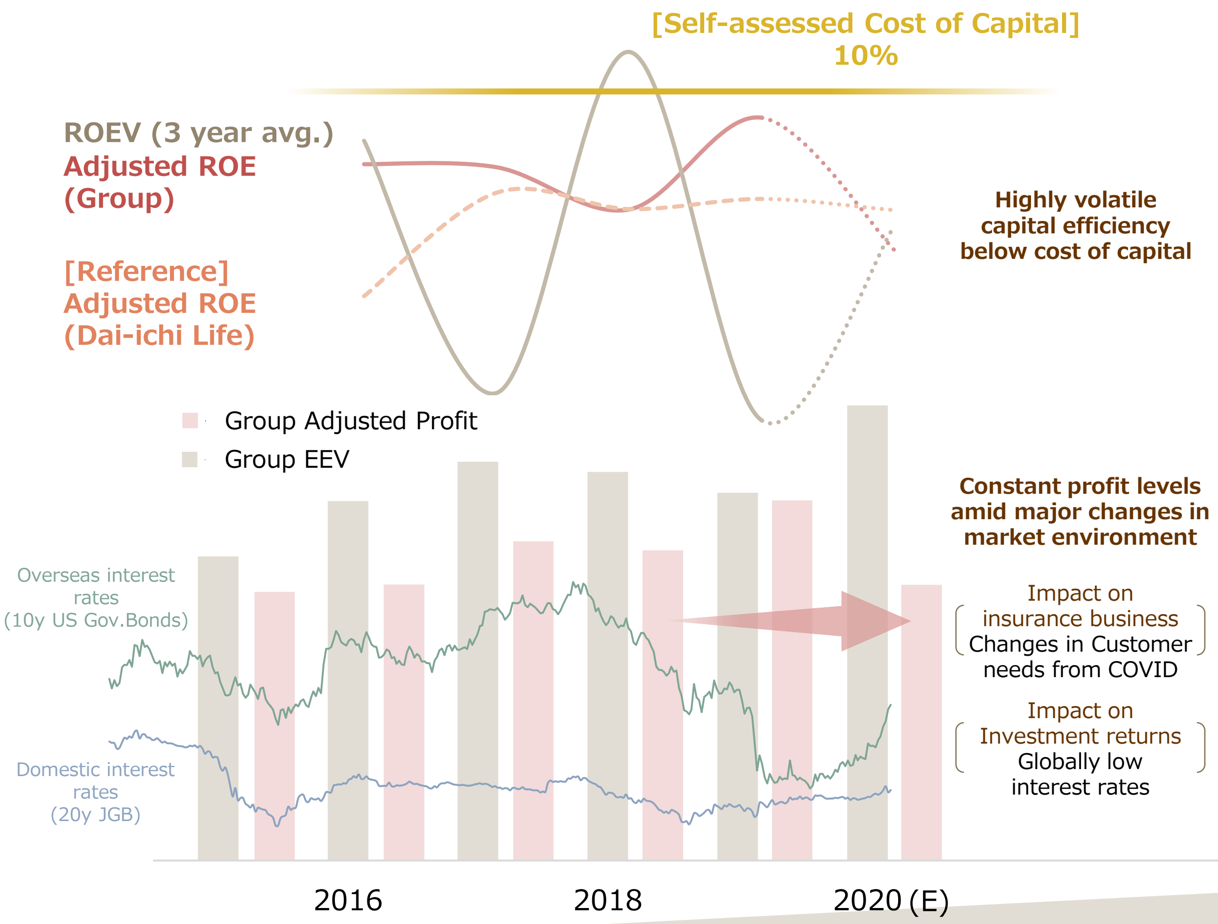
Create a universally bright future by fulfilling our part in enhancing sustainability

Promote the enhancement of sustainability as an entire group (Drive initiatives for carbon neutral)
Group human capital strategy and group governance to support business foundation

Background of Key Performance Indicators for the New Three Year Plan

- **No. 1 priority on qualitative improvements (capital efficiency) to secure foundation for sustainable growth**
- **Group adjusted profit expected to increase to between ¥250bn and ¥280bn for FY 2023 with some volatility**

Capital Efficiency, Adjusted Profit and Group EEV Outlook



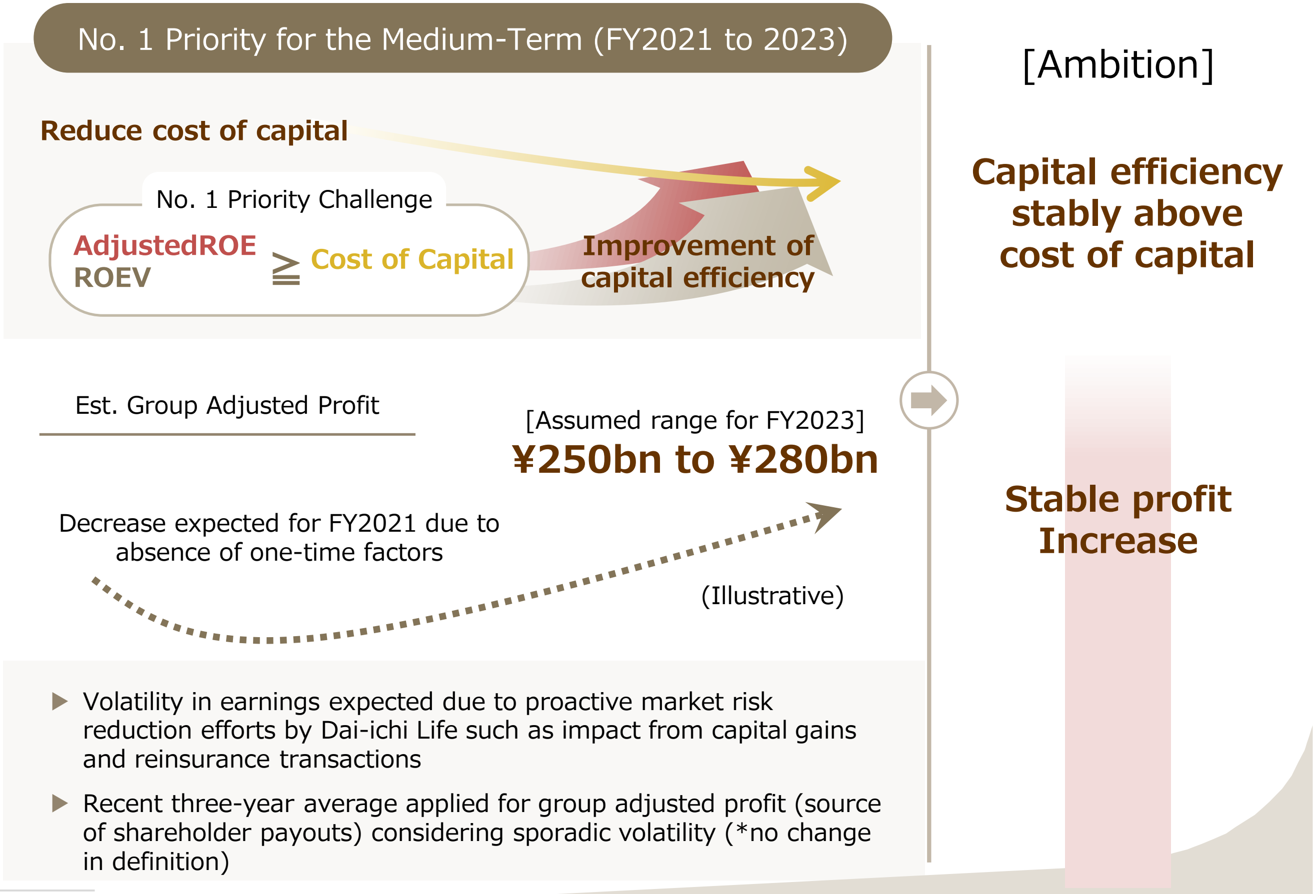
Highly volatile capital efficiency below cost of capital

Constant profit levels amid major changes in market environment

Impact on insurance business
Changes in Customer needs from COVID

Impact on Investment returns
Globally low interest rates

Re-connect 2023



No. 1 Priority for the Medium-Term (FY2021 to 2023)

Reduce cost of capital

No. 1 Priority Challenge

AdjustedROE
ROEV ≧ **Cost of Capital**

Improvement of capital efficiency

Est. Group Adjusted Profit

[Assumed range for FY2023]
¥250bn to ¥280bn

Decrease expected for FY2021 due to absence of one-time factors

(Illustrative)

- ▶ Volatility in earnings expected due to proactive market risk reduction efforts by Dai-ichi Life such as impact from capital gains and reinsurance transactions
- ▶ Recent three-year average applied for group adjusted profit (source of shareholder payouts) considering sporadic volatility (*no change in definition)

[Ambition]

Capital efficiency stably above cost of capital

Stable profit Increase

Key Indicators (KPIs) of the Group and Major Domestic Business Initiatives

Dai-ichi Life Holdings

	Group KPIs	Medium-Term (FY2023) Target Level	Long-Term Direction
Capital Efficiency (Accounting Profit)	Adjusted ROE (Based on Adjusted Profit)	**approx. 8%**	**approx. 9% (around FY2026)**
		Expected cost of capital: reduced to 8% (currently self assessed at 10%)	
Capital Efficiency (Economic Value)	ROEV	**Medium-Term Target: approx. average 8% (around FY2026)**	
Risk Profile Reform	Market Risk Reduction (Interest rate risk and equity risk vs March-21)	**Risk Reduction -¥520bn (equivalent to approx. 20% of March-21 market risk)**	**Additional Risk Reduction -¥280bn (Total of approx. ¥800bn from Mar-21)**
Financial Soundness (Economic Value)	Economic Solvency Ratio	**Maintain a stable level of 170% to 200% in the long-term Reduction of sensitivity to financial market**	
Profit Indicator	Adjusted Profit	**Expected Range approx. ¥250bn to ¥280bn**	Value of new business targets are set annually Forecast for FY2021 to be announced in May

Domestic Business

Improve Customer Satisfaction	Net Promoter Score (NPS®) Number of Customers	**NPS® for Dai-ichi Life: Top Level in Japan Total No. of Customers: approx. 10mn**	**(by FY2026)**
Improve productivity	Fixed Cost Reduction Optimize Talent Placement	**Reduction (Dai-ichi Life): approx. -¥30bn Strategic Personnel Shift: around 3,100 ppl.**	**(by FY2026)**

Assuming the economic environment and other factors will not deviate significantly from the current (end of March 2021) level
Certain targets are based on current forecasts and may change after the FY2020 financial results are finalized

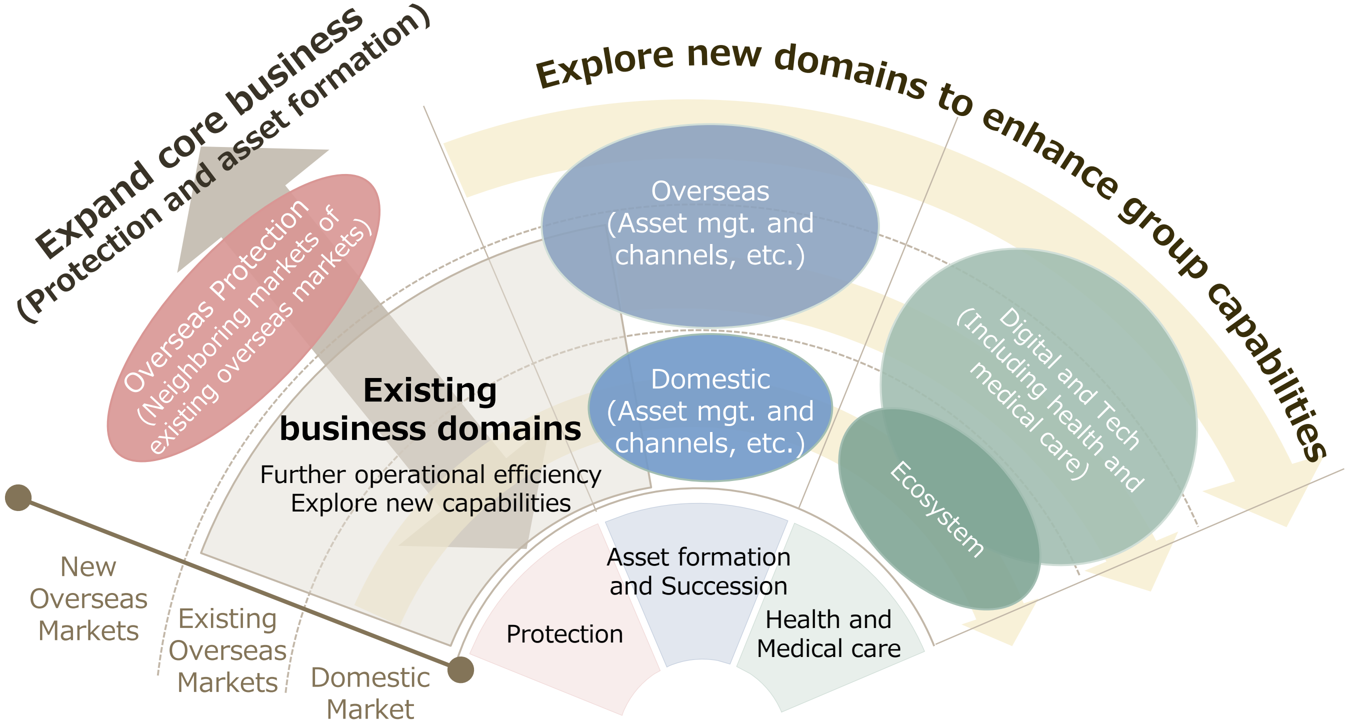
Re-connect 2023

Group Business Strategy (Domestic and Overseas)

Expand Existing Business While Exploring for Opportunities Beyond Insurance

- **Improve efficiency in core business while exploring potential overseas markets for sustainable growth**
- **Explore new domains to enhance group capabilities at the same time**

Domains to expand and explore



＋ Promote various business partnerships in the “Enhancing Connections” domain

Expand core business (Protection and asset formation)

Pursue further operational efficiency in existing business domain
Explore protection business opportunities in markets neighboring existing overseas markets
(Expand insurance risk taking)

Strike a balance

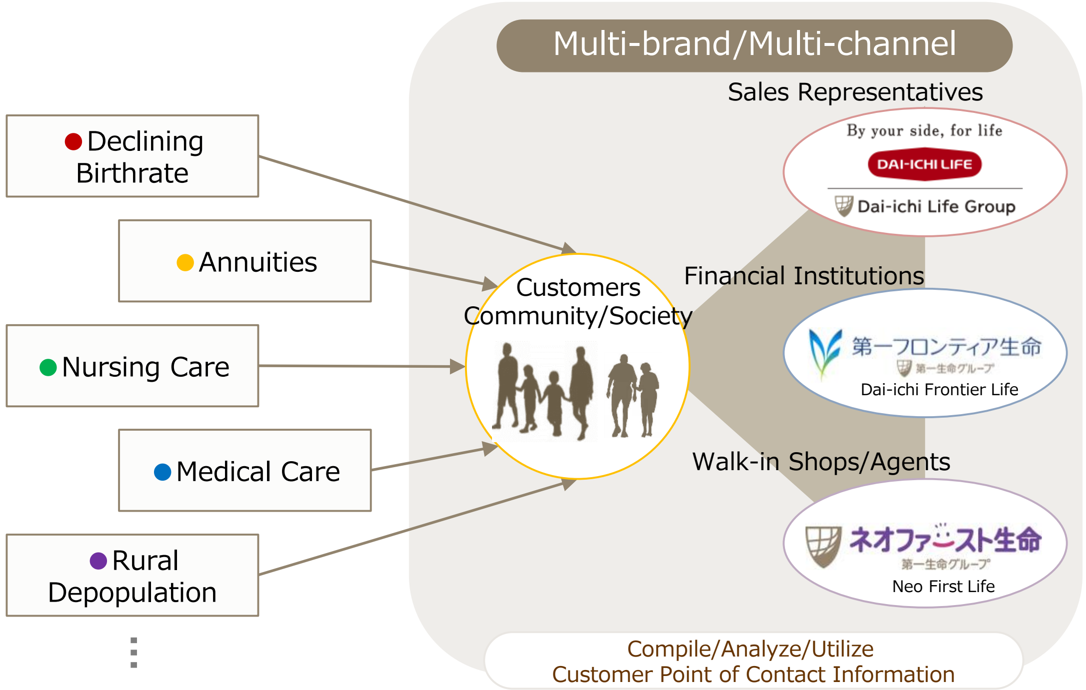
Expand core business and enhance group capabilities at the same time
Further diversify and expand business portfolio with small-scale investments under strict discipline

Explore new domains to enhance group capabilities

Dedicated business units are established within the holding company and Dai-ichi Life
Obtain health/medical care and digital capabilities in addition to expertise in asset formation
(Digitalization and enhancement of non-insurance domain)
Explore new beneficial capabilities in existing business domains

Value Creation Through Resolving Social Issues and CX Design Strategy

- **Expand value propositions in insurance and non-insurance domains as social issues surface**
- **Offer experiential value through our CX design strategy under a new business landscape**



Social Issues

Multiple points of contact with our customers

🔴Declining Birthrate

🟡Annuities

🟢Nursing Care

🔵Medical Care

🟣Rural Depopulation

⋮

Multi-brand/Multi-channel

Customers Community/Society

Sales Representatives

By your side, for life
DAI-ICHI LIFE
Dai-ichi Life Group

Financial Institutions

第一フロンティア生命
第一生命グループ
Dai-ichi Frontier Life

Walk-in Shops/Agents

ネオファースト生命
第一生命グループ
Neo First Life

Compile/Analyze/Utilize
Customer Point of Contact Information

Surfacing social issues and our value propositions

[Protection] Support stable lifestyles of customers

- Diversified needs
- Digital Oriented

🟢🔵Protection/medical products

🟢🔵Small-coverage insurance (Dai-ichi Smart)

[Asset Formation/Succession] Realize a Prosperous Future

- Post-retirement savings
- Social security concerns

🟡Savings products/Investment trust

🟡Group annuity business

＋

[Health Promotion] Support the Good Health of People

- Increase of chronic illnesses
- Risk of infectious diseases

🟢🔵Health Check-up Discount, etc.

🟢🔵Healthcare financial support for employees

[Enhancing Connections] Realize an Ideal Lifestyle

- Staying unmarried
- Community dilution

🟣Community vitalization support

🔴Day-care center support, etc.

Insurance Domain

Non-Insurance Domain

Supporting the sustainability of social security and communities

New Business Landscape

✓ Business processes based on further acceleration in digitalization and non-contact communication

✓ Merger with interactive communication

✓ Needs for protection and asset formation as a means to maintain livelihood

✓ More people want to stay healthy and prevent illness

CX Strategy

▶ Life insurance business is a highly recurring involving a long-term relationship with customers

▶ Take a leap forward from traditional life insurance practices and build a business process based on non-contact communication and recent advancements in digitalization with a focus on customer experience (CX).

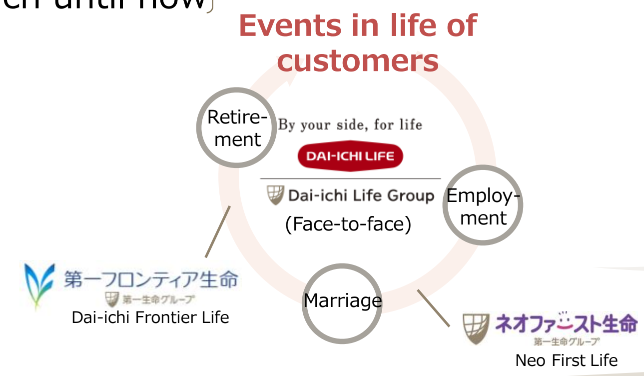
Transform the Domestic Business Model Through Our CX Design Strategy

- **Leverage our CX design strategy to transform are approach to customers**
- **Be the chosen insurer by providing optimal products/services/info timely with the optimal channel**

Changes in Point of Contact with Customers

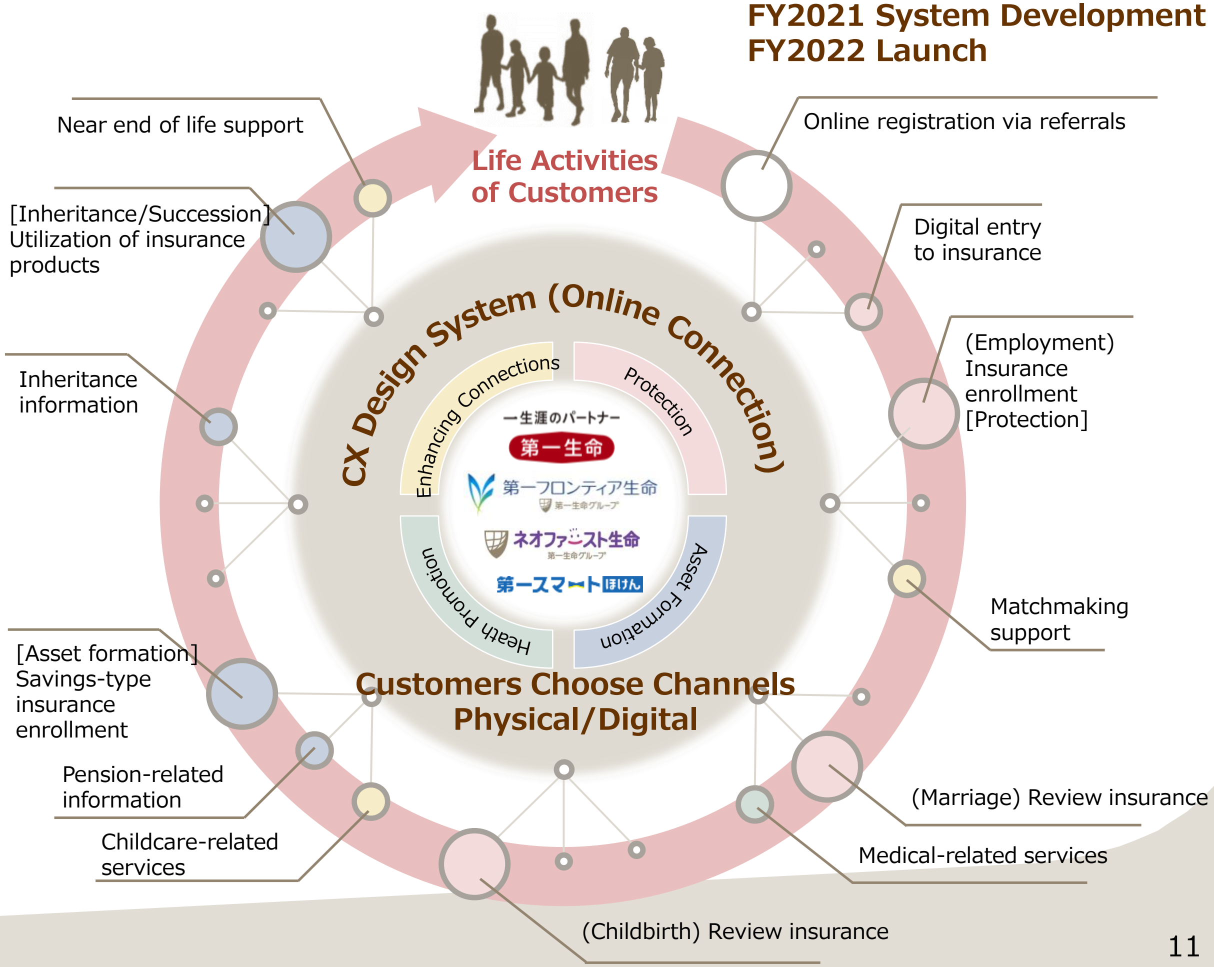
	Until Now	Vision
Contact Opportunities	Dots (events in life)	**Lines (life activities)**
Method	Face-to-face/Direct Contact	**Digital (non-contact)+ Face-to-face**
Products and Services	Protection Centric	**Insurance+Non-insurance**
Customer Preference and Behavior	Recognized by Sales Reps.	**Big data and AI Analysis**
Customers	Passive Entry	**More Active Entry**

Our approach until now



Vision for CX Design Strategy (OMO: Online Merges with Offline)

FY2021 System Development
FY2022 Launch



Four Experiential Values Set Forth in the New Medium-Term Plan

Dai-ichi Life Holdings

- **Efforts to provide a superior customer experience by expanding and exploring four experiential values**
- **Aim for 10mn customers and top level NPS® in Japan by leveraging our CX design strategy**

Protection

- Expand product lineup/underwriting and related services to address (at the time) diversifying protection needs of each customer

By your side, for life DAI-ICHI LIFE Dai-ichi Life Group

Increase efficiency of sales representatives to support financial needs in conjunction with consulting based on social security

ネオファースト生命 第一生命グループ Neo First Life

Differentiate medical products (made-to-order, etc.) and expand to affinity/digital channels

第一スマートほけん Dai-ichi Life Group

Develop simple/full-digital insurance for millennials and Z generation who will drive the coming era

Health Promotion

- Tapping into the prevention domain (Commercialization and utilization of accumulated data by creating an ecosystem)

Tapping into the health/medical field

Healstep 保健事業を、その先へ

QOLead

Healthcare financial support for employees (1)
- Medical cost assumptions via AI/consulting
- Health initiative support (partnering)
- Health promotion app (QOLism)

Sharpen competitive edge with existing life insurance business

[No. of Customers in Japan]
approx. **10mn**
(approx. 9mn as of FY2019 end)

[Net Promoter Score (NPS®)]
Top Level in Japan

Obtain new capabilities for innovation and strengthen competitiveness

Asset Formation/Succession

- Leverage the group strengths in asset management, product development and sales force to develop products, consult and develop related services for asset formation and succession

Asset Management	Individual Savings	Group Annuity
Investment and product development expertise Asset Management One Janus Henderson GROUP PLC 第一生命リアルティアセットマネジメント株式会社 Dai-ichi Life Group	Sales and product development expertise By your side, for life DAI-ICHI LIFE Dai-ichi Life Group 第一フロンティア生命 第一生命グループ Dai-ichi Frontier Life	Sales and product development expertise (Separate account, etc.) By your side, for life DAI-ICHI LIFE Dai-ichi Life Group

+ Related Domains (supplementary fields)

Enhancing Connections

- Create new points of contact with customers and insurance opportunities through efforts to resolve issues for an ideal society

Proactive business partnerships

Matchmaking	Succession	Near end of life	
IBJ	FORVAL	鎌倉新書 Kamakura Shinsho	+ and more

---

(1) Joint effort by Dai-ichi Life Group/Mizuho Financial Group

Sales Representative Channel Reform for Higher Efficiency

- **Next three years are key in the transformation process as we emphasize on quality over quantity**
- **Initiate a makeover of framework to develop a more efficient sales channel by offering high level CX**

Efforts for Transformation

Taking a leap forward from traditional practices

Performance Appraisal

- Revision of appraisal system (qualifications/salaries, etc.)
- More focus on consumer satisfaction indicators

Consulting

- Increase contact points through CX design
- Expand use of digital tools
- Visualization of future cash-flow and non-daily risks to customers

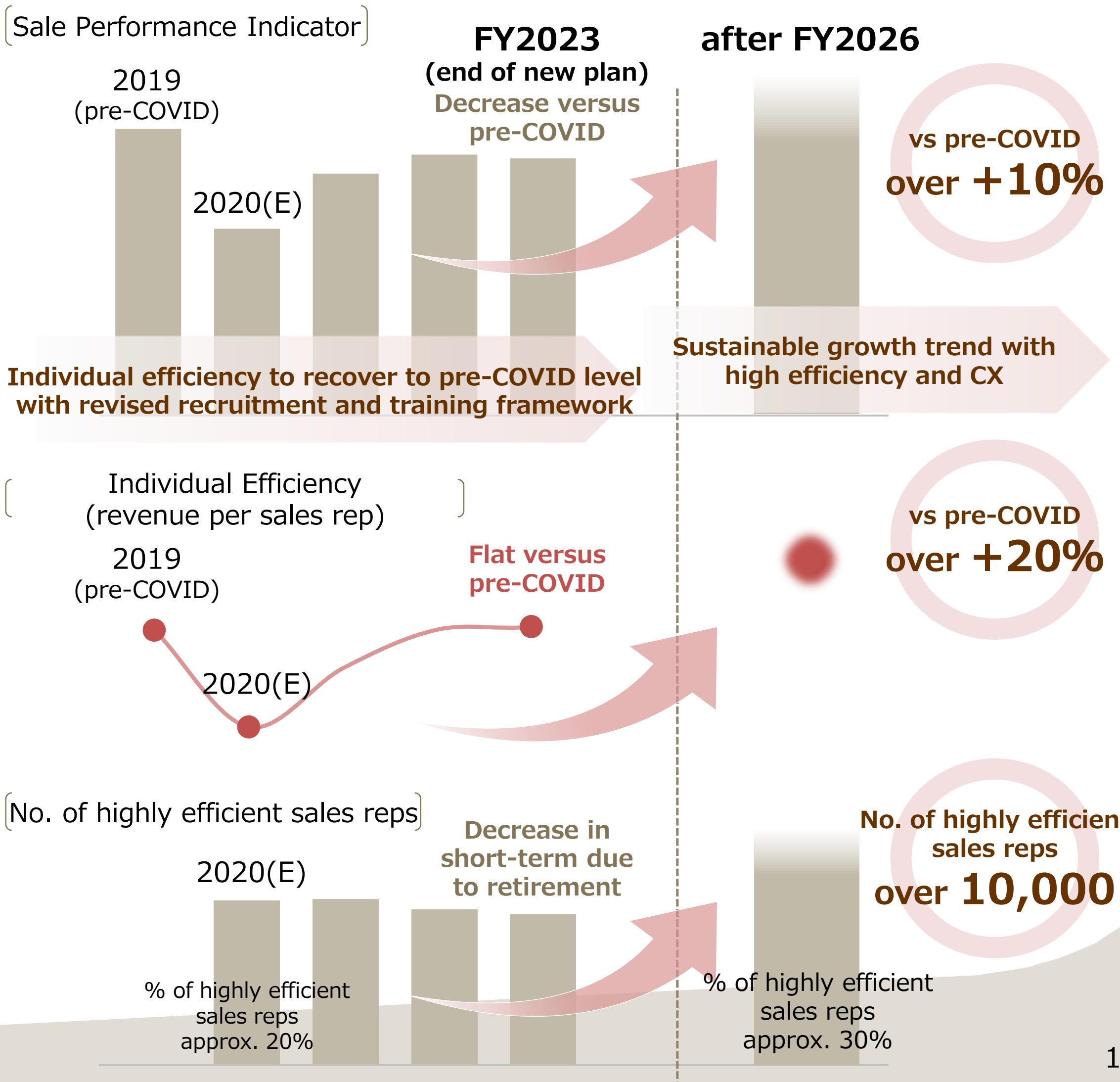
Dramatic Improvement in Consumer Experience (CX) and Net Promoter Score (NPS®)

Recruitment and training

- Implement a more strict selection process (New recruitment in the next fiscal year to be about 70% YoY)
- Training program for high level customer experience (Enhance training material and follow-ups)

Products

- Expansion of protection and asset formation products (”segmented protection”/”risk applied asset formation” products, etc.)
- Add-on services in the prevention domain

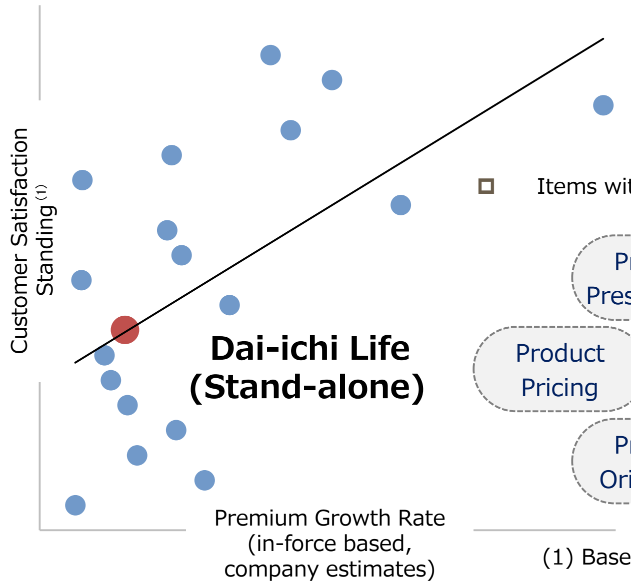


Target for Customer Satisfaction

- **Need to adjust our customer centric mindset in light of changes in customer behavior amid COVID**
- **Adopt NPS® as a core indicator to promptly solidify a truly customer centric corporate culture**

Current status and NPS® as a core indicator

Correlation between customer satisfaction and growth



[Current Status] Medium-Ranked satisfaction level

□ Items with lower degree of satisfaction compare to peers[1]

- Product Presentation
- Expertise
- Product Adequacy
- Product Pricing
- Product Simplicity
- Contract Simplicity
- Volume of Documents
- Product Originality
- Policy Certificate
- Ancillary Services

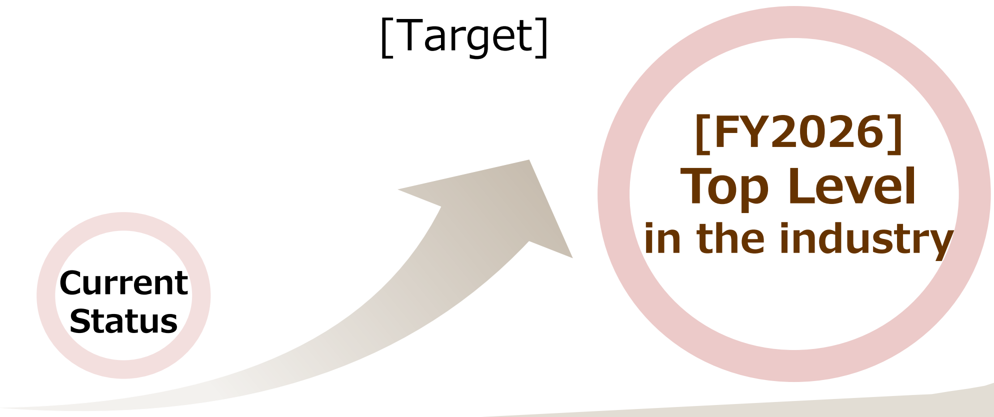
(1) Based on third-party customer satisfaction survey results

✓ Urgent need to adjust our customer centric mindset in light of rapid changes in customer values and behavior amid COVID

✓ Restore confidence of customer and other stakeholder in us following misconduct in the sales rep channel and solidify a new corporate culture

Adoption of Net Promoter Score (NPS®)

- Adopt NPS® as a core indicator to measure the level of recommendation in place of the previously adopted customer satisfaction survey to enable deeper analysis
- Solidify a truly customer centric corporate culture and implement a fast-paced PDCA cycle based on business operations from a customer perspective
- To be adopted by domestic group companies other than Dai-ichi Life going forward



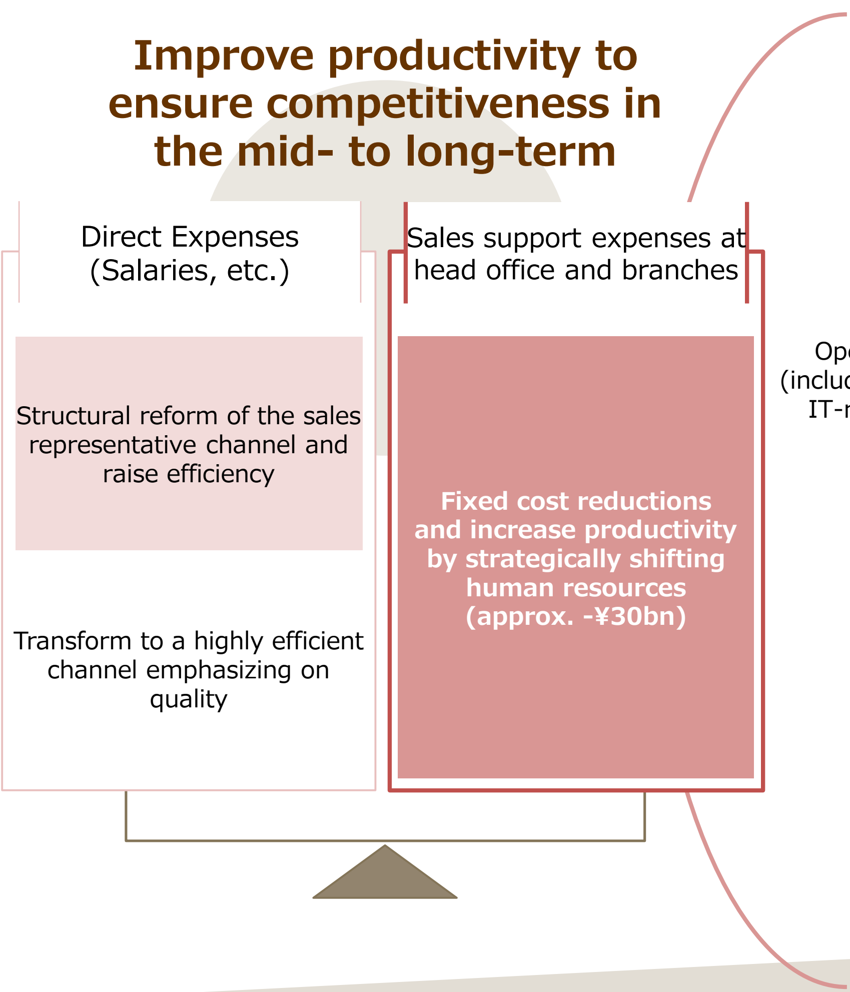
NPS® is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

Improving Dai-ichi Life Business Productivity

Dai-ichi Life Holdings

- **Essential to improve productivity to ensure competitiveness of existing business in the long-term**
- **Promote early achievement our six-year initiative of reducing approximately ¥30bn in costs**

Cost Structure and Reduction of Fixed Costs



Improve productivity to ensure competitiveness in the mid- to long-term

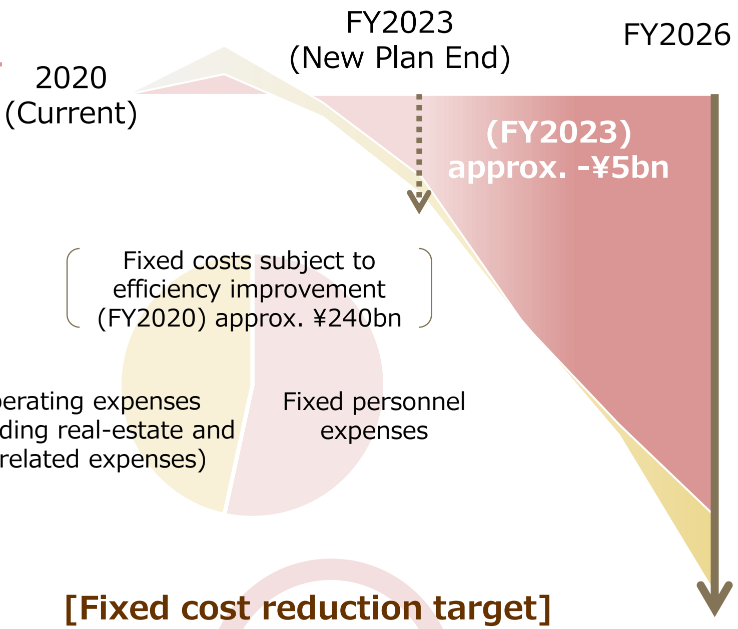
Direct Expenses (Salaries, etc.)

Structural reform of the sales representative channel and raise efficiency

Transform to a highly efficient channel emphasizing on quality

Sales support expenses at head office and branches

Fixed cost reductions and increase productivity by strategically shifting human resources (approx. -¥30bn)



(Fixed costs subject to efficiency improvement (FY2020) approx. ¥240bn)

[Fixed cost reduction target] approx. -¥30bn by FY2026

- Equivalent to about 13% of subject cost
- Excluding CX/DX-related investments
- Includes effects of personnel shift

Fixed personnel expenses

Strategic personnel shift to profit centers and new business domains while pursuing efficiency through digital

- ✓ Remote management of sales reps centralized operations
- ✓ Self-sufficiency of sales office tasks and consumer-direct features
- ✓ RPA/digitalization of head office tasks, etc.

Strategic personnel shift in the next six years	approx. **3,100** people about 23% of all employees excluding sales reps

Operating expenses

Streamline operations to adapt to changes in work-style

- ✓ Consolidation and area reduction based on new work styles and consider possibility for use as investment properties
- ✓ Save transportation expenses through remote operations and digitization and more paperless operations, etc.

CX/DX-related investment approx. +¥13bn	Invest resources in carefully selected domains to carry out CX design strategy (Establishment of foundation for business model reform, creation of new business and digital innovation, etc.)

Increase Profits in the Existing Markets and Further Drive Business

Dai-ichi Life Holdings

- **Build a resilient foundation for sustainable growth through business/regional diversification**
- **Aim for adjusted profit of approx. ¥85bn in FY2023 and improve in capital efficiency**

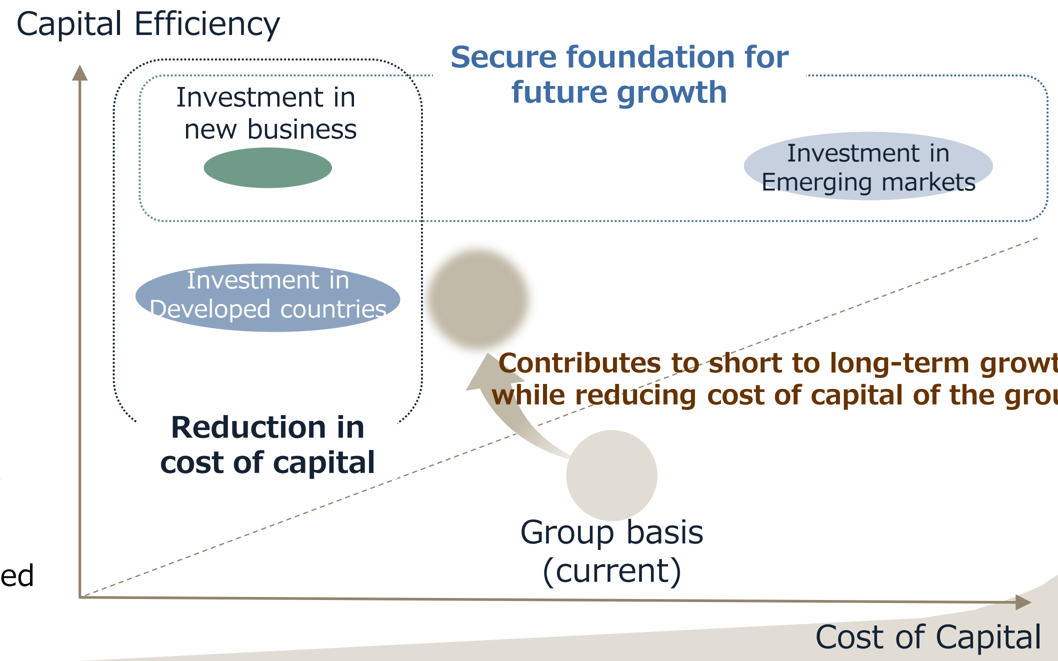
Overseas Business Portfolio Strategy

Business Diversification	Market Development Phase Diversification	Regional Diversification	Expected Impact
Life Insurance Business (Expand)	Developed Market	U.S./AUS	**Stable Growth Generate profit in the "short-term"**
	Developing Market	Vietnam/India/ Indonesia/Thailand	**High growth Generate profit in the "medium-term"**
	Early Phase	Cambodia/Myanmar	**First-mover advantage Generate profit in the "long-term"**
New Business (Explore)	Early to Developed	Existing/New Markets	**Innovation/ New business**

[Target Level for FY2023]

Adjusted Profit (Overseas) approx. ¥85bn
(of which Protective Life approx. ¥45bn)

Impact of Strategic Investments (Illustrative)



Efforts for Further Growth

- Deal with prolonged low interest rates and product strategy to address protection needs
- Improve operational efficiency in the new normal business environment
- Pursue capital efficiency based on business development phase and strategic decisions based on the quality of the business portfolio
- Expand to other regions leveraging existing business foundations

Initiatives for Driving CX with DX and Efforts to Improve Productivity

- **Strengthen competitiveness in the new normal business environment and drive CX by utilizing DX**
- **Continuous efforts in operational efficiency mainly in developed markets to improve productivity**

Initiatives for Driving CX with DX

① Sales Channel Digital Support

Improve customer satisfaction with high service quality through digitalization

Protective

New policy tool ”Velocity” for sales channel and customers

→ **Online application**

TAL

Online advisor training program “TAL Risk Academy”
Advisor support tool “TAL Adviser Centre”

→ **Improve adviser skillset**
Support sales efficiency

Star Union Dai-ichi Life Insurance

Digital sales tool “Digi Quick” enhancement

→ **Improve operational efficiency and quality**

② Digital Healthcare Services

Create new experiential value with healthcare services utilizing digital data

TAL

Health support tool “Cora”(chatbot)
Health promotion support “Health Sense+”

DLI Asia Pacific Pte. Ltd.
Dai-ichi Life Group

Health support for emerging Asian countries/considering remote medical services

③ Enhance Customer Convenience

Improve customer convenience with introduction of digital tools

TAL

Claims app “Claims Assist”

→ **Claims settlement via smartphone**

DAI-ICHI LIFE
Gắn bó dài lâu.

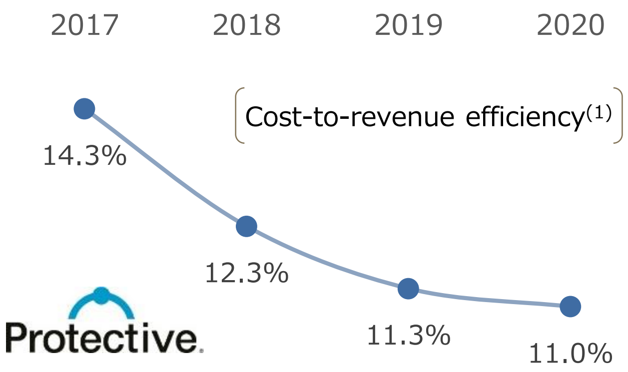
App for customers “Daiichi Connect”

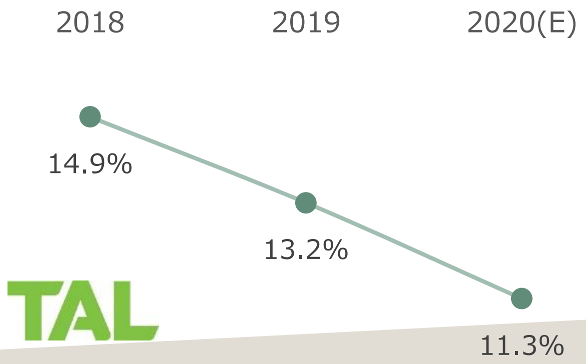
→ **Premium payment/claims settlement via online**

Efforts to Improve Productivity (Protective Life/TAL)

- Protective and TAL have established an advantage over competitors in cost efficiency with cost synergies and economies of scale through M&A
- Continue efforts in operational efficiency for further productivity

Cost-to-revenue efficiency[1]





[For Further Productivity]

- Cost benefits from M&A
  System integration of acquired blocks
- Digitalization of maintenance
  AI for claim payment processing
- Efficient use of office space
- Consolidation of captive subsidiaries

- Synergies from Asteron Life integration
- Reduction of operating expenses based on new work-style
- Optimize sales and marketing expenses

---

(1) Excludes post-acquisition integration costs and commissions.
For Protective cost is relative to revenue, for TAL cost relative to premium income.

Re-connect 2023

Group Financial and Capital Strategy

Disciplined Capital Management Through Evolution of the ERM Cycle

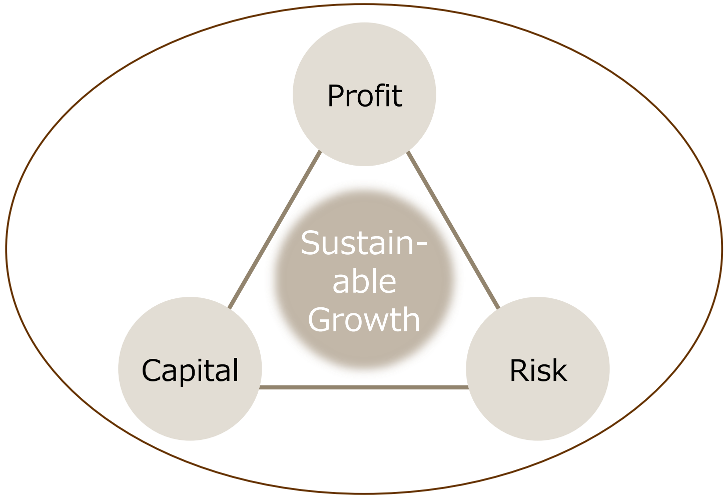
- **Sustainable corporate growth through disciplined capital management with upgraded ERM cycle**
- **Aim for capital efficiency above cost of capital while securing stable economic value based soundness**

Capital Efficiency

Aim **ROE/ROEV above cost of capital**

Initiatives

- Reassessed our cost of capital (currently 10%)
- Enhance return on investment monitoring by hurdle rate setting based on the assumed cost of capital for each business category (individual company)
- Capital deployment including M&A after considering the effectiveness of shareholder payouts measures in addition to strategic conformance
- Shifted operations to free cash-flow based remittance to holding company



Risk-Return

Aim **Insurance risk-centric risk profile**

Initiatives

- Develop protection products and capital-light asset formation products based on risk and return assessments
- Overseas business growth considering risk profile improvement
- Obtain fee-based business profit from domains surrounding insurance including health care and digital technology
- Drive market risk reductions measures based on risk appetite

Financial Soundness

Aim **Stable Economic Solvency Ratio**

Initiatives

- Decrease market sensitivities by driving market risk reduction measures
- Updated ESR measurement standards based on International Insurance Capital Standards (ICS) and economic value regulations under development in Japan.

(Changes in ultimate forward rate (UFR) assumptions and improvement of various measurement techniques based on other ICS, etc.)

Recognition of Our Current Cost of Capital and Efforts to Reduce Cost of Capital Level

- We recognize our cost of capital to be 10% amid the changing business environment
- Aim for β levels comparable to global peers by weighing more to the less volatile insurance business

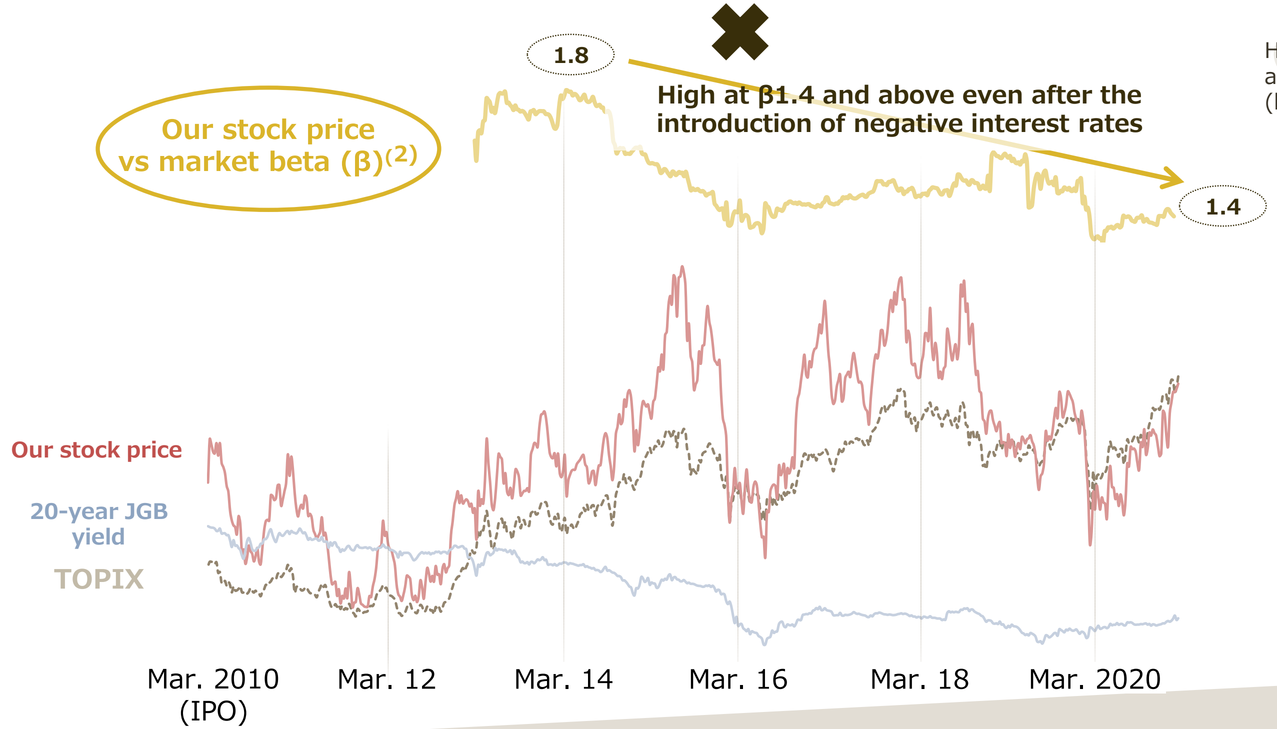
Our Cost of Capital Based on CAPM(1)

Recognition of our cost of capital

Exceeded our previous assumption (8%) at a level of 10% amid changes in the business environment

Increase in equity risk premium (expected return)

✖

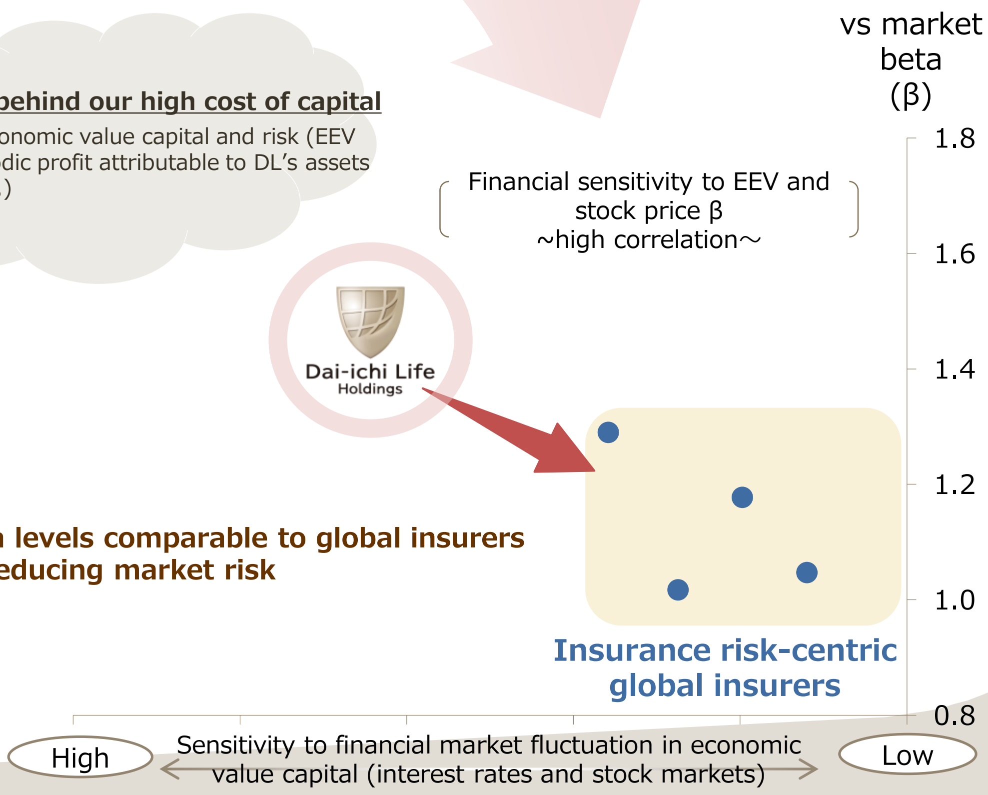


Efforts to Reduce Cost of Capital

Reduce cost of capital (vs market beta) by weighing more to insurance business that is inherently less volatile

Our rationale behind our high cost of capital

High volatility of economic value capital and risk (EEV and ESR) and periodic profit attributable to DL's assets (bonds, stocks, etc.)



Aim for beta levels comparable to global insurers by further reducing market risk

Insurance risk-centric global insurers

*Image (Sensitivity of economic value-based capital to financial market fluctuations and beta at the end of Mar. 20)

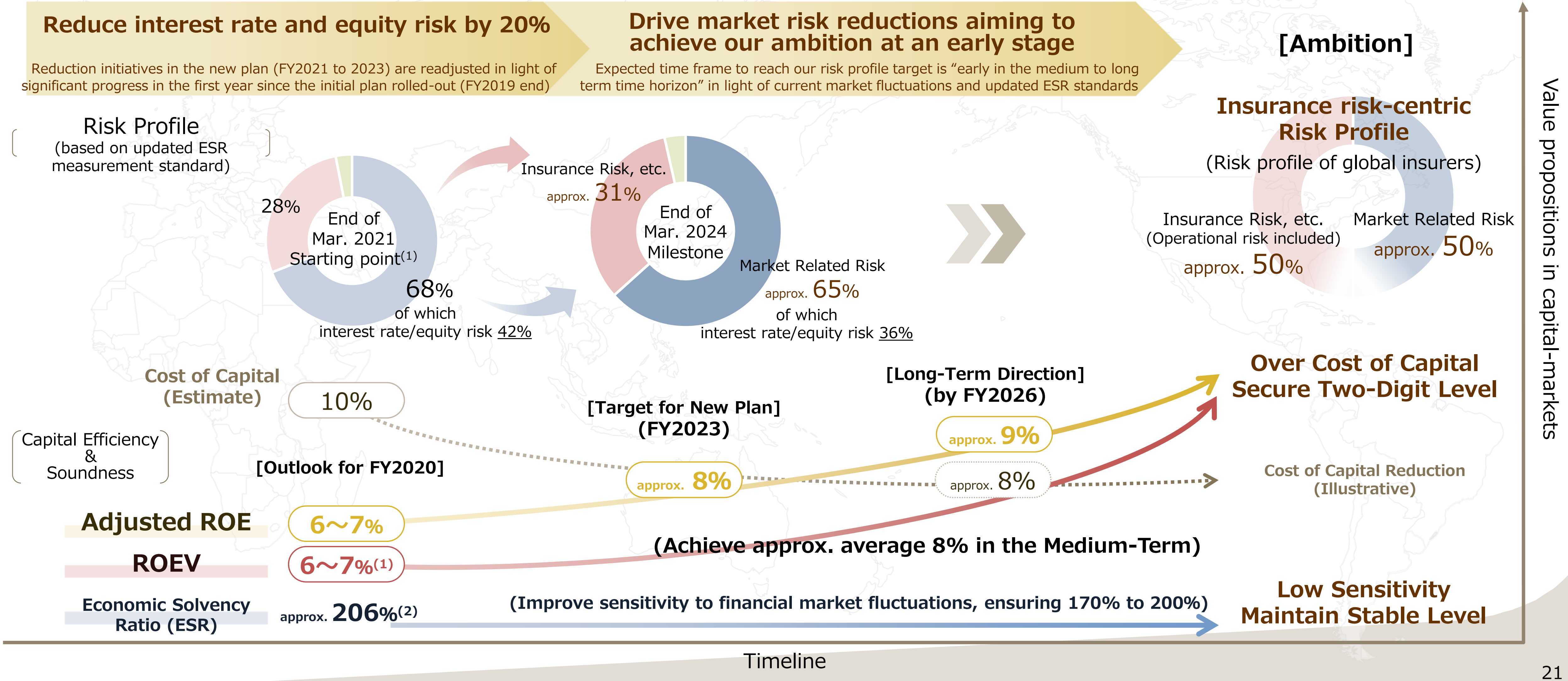
---

(1) Capital Asset Pricing Model (2) vs TOPIX beta (past three years, weekly basis)

*Market-related risk reduction efforts are basically by Dai-ichi Life (non-consolidated) assuming the economic environment and other factors will not deviate significantly from the current (end of March 2021) level.
*Figures are estimates and are subject to change after the FY2020 financial results are finalized.

Drastically Improve Group Capital Efficiency Through Risk Profile Reform

- **Focus continues to be on market risk reduction to draw near to risk profile of global insurers**
- **Aim for sustainable growth/improvement in capital efficiency by effective capital reallocation**



Reduce interest rate and equity risk by 20%

Reduction initiatives in the new plan (FY2021 to 2023) are readjusted in light of significant progress in the first year since the initial plan rolled-out (FY2019 end)

Drive market risk reductions aiming to achieve our ambition at an early stage

Expected time frame to reach our risk profile target is "early in the medium to long term time horizon" in light of current market fluctuations and updated ESR standards

[Ambition]

Risk Profile
(based on updated ESR measurement standard)

End of Mar. 2021 Starting point(1)
28%
68%
of which interest rate/equity risk 42%

End of Mar. 2024 Milestone
Insurance Risk, etc. approx. 31%
Market Related Risk approx. 65%
of which interest rate/equity risk 36%

Insurance risk-centric Risk Profile
(Risk profile of global insurers)
Insurance Risk, etc. (Operational risk included) approx. 50%
Market Related Risk approx. 50%

Value propositions in capital-markets

Cost of Capital (Estimate) 10%

Capital Efficiency & Soundness

[Outlook for FY2020]

[Target for New Plan] (FY2023)

[Long-Term Direction] (by FY2026)

	[Outlook for FY2020]	[Target for New Plan] (FY2023)	[Long-Term Direction] (by FY2026)	
Cost of Capital (Estimate)	10%		approx. 8%	Cost of Capital Reduction (Illustrative)
Adjusted ROE	6～7%	approx. 8%	approx. 9%	Over Cost of Capital Secure Two-Digit Level
ROEV	6～7%(1)	(Achieve approx. average 8% in the Medium-Term)		Over Cost of Capital Secure Two-Digit Level
Economic Solvency Ratio (ESR)	approx. 206%(2)	(Improve sensitivity to financial market fluctuations, ensuring 170% to 200%)		Low Sensitivity Maintain Stable Level

Timeline

(1) The average of the last three years (estimated for FY2018-2020) is shown. (2) Figures after changes in standards such as UFR.

Changes in UFR and LLP in ESR Measurement

- **Stricter risk management based on ICS and regulations under development in Japan**

Impact of Changes in UFR and LLP

Main Changes

① **Reduction of Ultimate Forward Rate (UFR) Level**

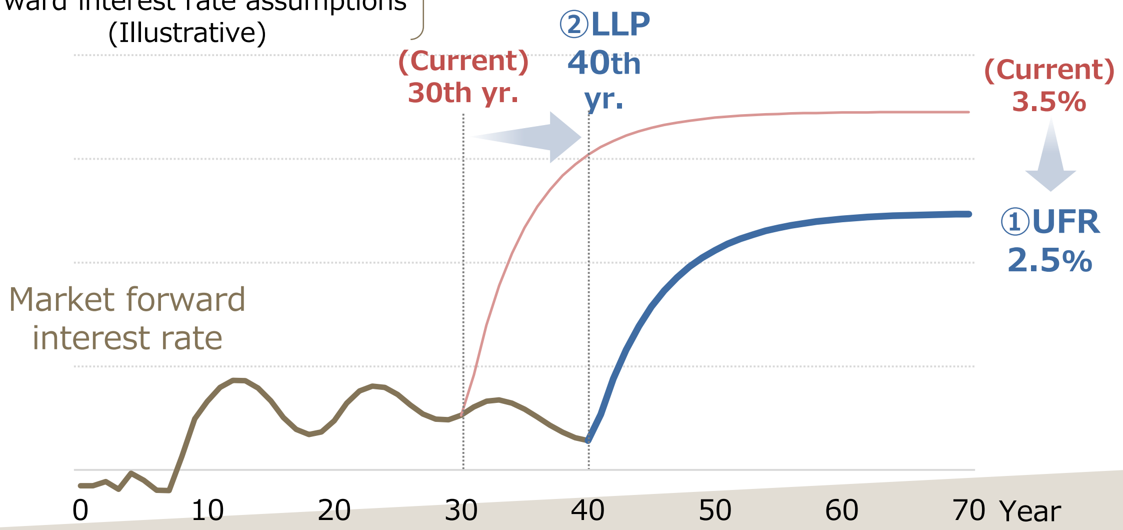
[Current] 3.5% → [New] **2.5%** (Potential growth rate forecast + BoJ inflation target)

② **Change in Last Liquid Point (LLP)**

[Current] 30th yr. → [New] **40th yr.** (UFR level converged from 40th year to 70th year)

(Other)
Improvement of various measurement techniques based on ICS (mainly DFL)

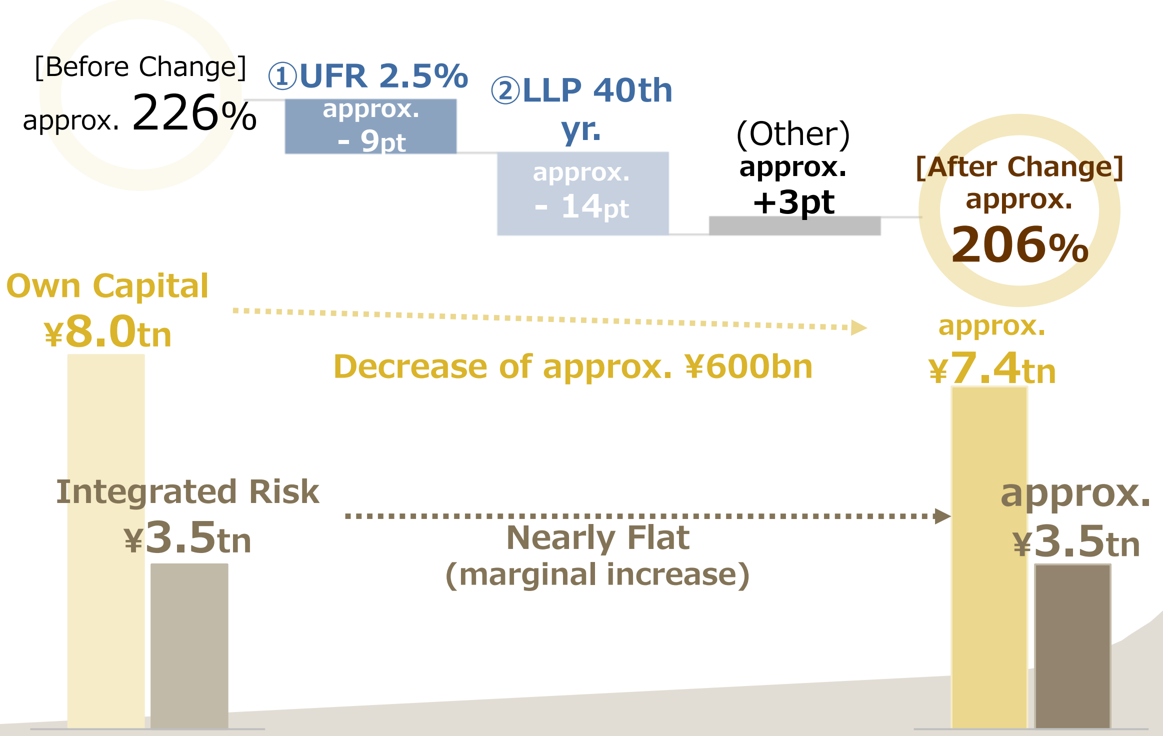
Changes in forward interest rate assumptions (Illustrative)



- Changes in measurement assumptions based on stricter internal control (These changes are reflected to EEV measurement assumptions as well)
- The revised standards will be applied to risk-management, including market risk reduction going forward

Estimate ESR at the end of March 2021

*Estimates based on market fluctuations and market risk reduction measures from the end of Dec. 2020 and may change after the FY2020 financial results are finalized



*Market-related risk reduction efforts are basically by Dai-ichi Life (non-consolidated) assuming the economic environment and other factors will not deviate significantly from the current (end of March 2021) level.
*Figures are estimates and are subject to change after the FY2020 financial results are finalized.

Risk Reduction Targets in the Medium-Term Plan

- **Reduced 70% of initial targets for a four-year span to reduce 20% market risk in FY2020 alone**
- **In the new plan (three years from FY2021) we set a more ambitious new 20% risk reduction plan**

2020 | New Medium-Term Plan (FY2021 to 2023) | from FY2024

Risk Reduction Targets in the New Medium-Term Plan

[Interest rate and equity risk]

approx. -¥520bn(1)(2)

Approx. 1.5 times the scale compared to the initial four-year plan

Interest Rate Risk

[Risk reduction Measures]
- Buy/Replace long-term bonds
- Reinsurance
- Derivatives, etc.

[Interest Rate Risk]
End of Mar. 2021
¥1.3tn(1)
(-¥0.4tn vs Mar-20)

Initial Plan

Risk reduction of approx. -¥310 bn
(equivalent to -20% in four years)

approx. -¥75bn
(equivalent to -5%)

Three-year cumulative of
approx. -¥230bn (equivalent to -15%)

[Actual risk reduction]
approx. **-¥300bn**

▶ Nearly achieved in the first year of a four-year plan

[New Plan]

During the new plan (three-years)
Targets set to reduce risk by 20%
(as of end of Mar. 2021 after UFR standard change)

[Target] Risk approx. -¥260bn(1)

Aim to achieve ahead of schedule based on market environment
Aggressive liability structure reform through reinsurance

Addition risk reduction of
approx. -¥280bn(1)
planned for FY2024 to 2026

Equity Risk

[Risk reduction Measures]
- Sale of equity holdings
- Hedge positioning through derivatives and investment trusts, etc.

[Equity Risk]
End of Mar. 2021
¥1.3tn(2)
(+¥0.3tn vs Mar-20)

[Domestic listed equity held]
Market value ¥3.3tn
(+¥0.6tn vs Mar-20)

Initial Plan

Risk reduction of approx. -¥210bn
(equivalent to -20% in four years)
Equity sale of approx. ¥700bn

approx. -¥60bn
(equal to -6%)
sale of equity: approx. ¥200bn

Three-year cumulative of approx. -¥150bn
(equivalent to -14%)
Sale of equity: approx. ¥500bn

[Actual sale of equity]
approx. ¥200bn

▶ Executed according to plan(approx. -¥52bn in risk reduction)

[New Plan]

During the new plan (three-years)
Targets set to reduce risk by 20%
(as of end of Mar. 2021 after hedging adjustments)

[Target] Risk approx. -¥260bn
- **Equity sale of approx. ¥600bn at market value**
- **Hedge positioning at approx. ¥600bn**

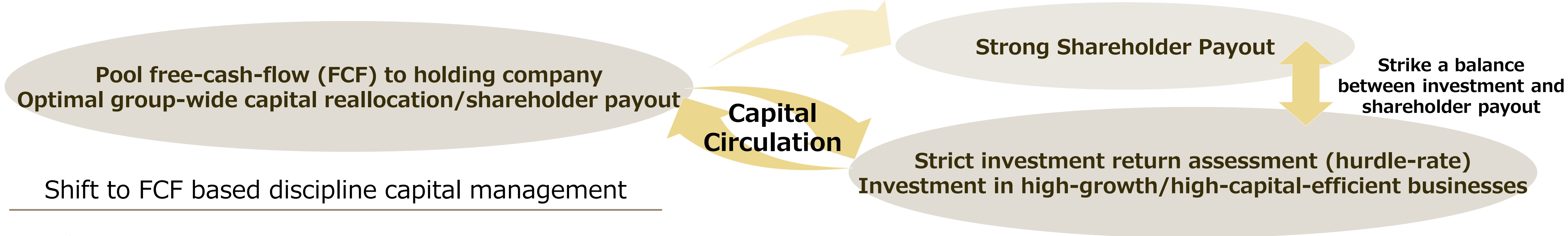
Hedging to accelerate risk reduction effects (majority of position has been established)
Hedging position to be maintained for the time being looking to further risk reduction

Looking to further reduce risk

(1) Figures after changes in standards such as UFR (2) Excluding the effects of front-loading hedging

Free-Cash-Flow Generation and Business Investment for Growth

- **Generate more than ¥800bn in free-cash during the period of the new medium-term plan**
- **Enhance return on investment monitoring considering cost of capital of each group business**



Pool free-cash-flow (FCF) to holding company
Optimal group-wide capital reallocation/shareholder payout

Capital Circulation

Strong Shareholder Payout

Strike a balance between investment and shareholder payout

Strict investment return assessment (hurdle-rate)
Investment in high-growth/high-capital-efficient businesses

Shift to FCF based discipline capital management

〔Until now〕 ✓ Set a remittance rate against profit level of subsidiaries

Remittance to holding company going forward

- ▶ FCF is defined as the sum of transferable surplus capital after considering economic value, local regulations and accounting standards
- ▶ Set remittance rate to FCF based on business strategy of each subsidiary (remittance from subsidiaries based on periodic profit expected to rise)
- ▶ Upgrade capital circulation between the holding company and subsidiaries

〔Outlook of cash at holding company〕

FY2019 Cash inflow (past standard)

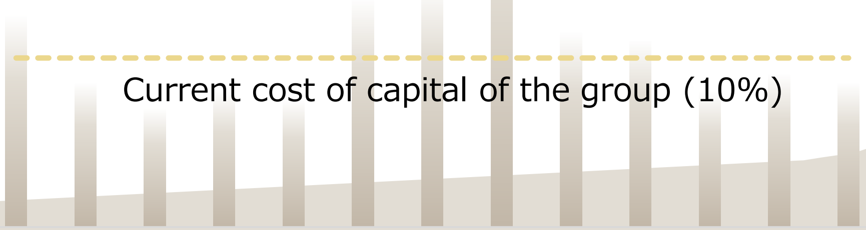
[Group Adjusted Profit] approx. ¥250bn
[Remittance rate] ×approx. 55%
[Cash to holding company] approx. ¥140bn

[Cash Outlook During New Plan]
balance at Mar. 2021+3 years(FY2021 to 2023)
Total Cash Inflow
approx. ¥800bn or more

Monitoring based on cost of capital of each group business

〔Until now〕 ✓ 8% cost of capital across the board for all group entities
(Difference in interest rates are added to cost of capital for overseas businesses)

Calculate cost of capital for each business (individual company) by taking into account betas according to risk profile and market risk premiums by country of domicile, and evaluate investment effectiveness



*After deduction of expected interest payments by the holding company.
Share buyback announced today is not deducted

Change in Basic Policy for Shareholder Payouts

- **Consider flexible additional payouts on top of dividend payout ratio of 30% or more for each fiscal year**
- **Aim for an average total payout ratio of 50% in the medium-term with strategic additional payouts**

* Shareholder payout policy is subject to change in light of changes in the external environment and other factors.

Basic Policy

- ▶ Stable cash dividends based on group adjusted profit (realistic profit indicator) (Dividend payout ratio is calculated based on the historical three-year averages of group adjusted profit)
- ▶ Consider additional payouts through share repurchases, etc. considering ESR, cash-flow and strategic investment opportunities

Stable Dividends Based on Profit (from FY2021)

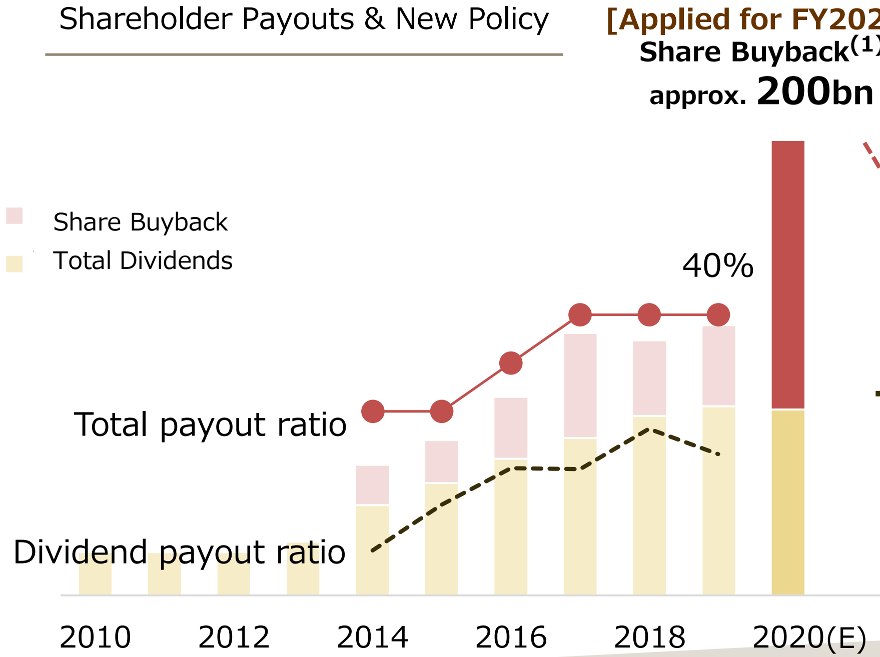
[Dividend Payout Ratio]
30% or more each FY
- Basically no reduction in dividends per share

\+

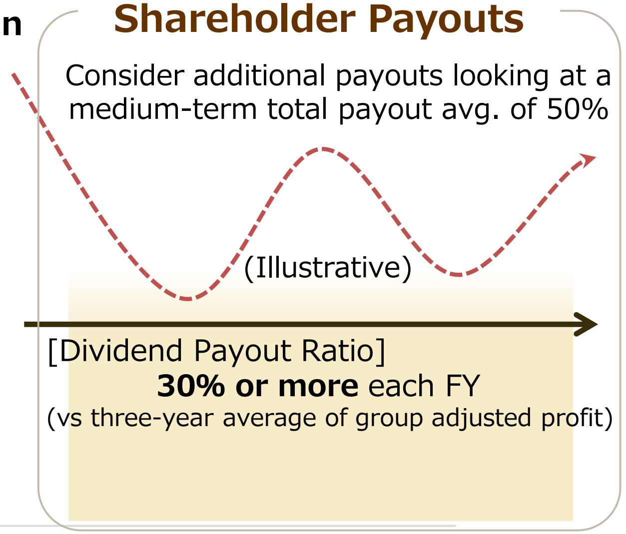
Consider flexible additional payouts (from FY2020)

- Strategical in scale and timing
- Rough guide for total payout ratio: Medium-term avg. 50%

Shareholder Payouts & New Policy



(NEW) Basic Policy for Shareholder Payouts


Consider additional payouts looking at a medium-term total payout avg. of 50%

(Illustrative)

[Dividend Payout Ratio]
30% or more each FY
(vs three-year average of group adjusted profit)

Considerations for additional payouts

ESR Level
Status of market risk and sensitivity reduction

Cash position of the holding company
Group Financial Leverage

Existence of strategic investment opportunities
Our stock price, etc.

Strategic scale and timing decisions

* After considering the size of holdings, treasury stocks from the scheduled buyback of approx. ¥200 billion to be cancelled in principle

(1) Maximum amount of share buyback resolved at the Board of Directors meeting held on March 31, 2021

Implementation Capital Policies Based on Economic Solvency Ratio (ESR) Level

- **Consider capital policies based on ESR target between 170% and 200%**
- **Decided buyback after considering ESR condition, strategic opportunities and our stock price, etc.**

ESR Level and Capital Policy Concept

- Maintain stable dividends in line with profits
- Actively consider strategic investments and/or flexible additional payouts

approx. 206% : Current (Mar. 2021 estimate)

200%

Target Level 170 to 200%

- Maintain stable dividends in line with profits
- Consider strategic investments and/or flexible additional payouts based on financial soundness

170%

- Maintain stable dividends in line with profits
- Consider strategic investments and/or flexible additional payouts based on prospect of improvement to medium-term target

(Reconsider risk-taking and/or shareholder payouts as needed)

130%

- Consider risk-reduction and Reconsider shareholder payouts

(Consider recapitalization as needed)

Regarding the share buyback of approx. ¥200bn

ESR Level
Market risk and sensitivity reduction

- ESR above target level
- Steady decline in market risk and sensitivity

Cash position of the holding company
Group Financial Leverage

- Expected remittances from group companies and Funds for the sale of stake in Janus Henderson

Existence of strategic investment opportunities
Our stock price, etc.

- Financial leverage expect to maintain a certain level
- Implementation of capital investment return analysis

Management Action

Decision to initiate share buyback of approx. ¥200bn

*Period of repurchase of shares: From April 1, 2021 to March 31, 2022

Re-connect 2023

Group Sustainability and Business Foundation

Dai-ichi Life
Holdings

Promote the Enhancement of Sustainability as an Entire Group

- **Promote sustainability initiatives that would contribute to well-being of all through establishment of the Group Sustainability Promotion Committee and set of quantitative indicators**

Select sustainability targets
to solve group important issues (materiality)

To contribute to the "Well-being" of all,
establish quantitative indicators linked to each target
and work toward their achievement

Group Sustainability Promotion Committee to be established in order to plan group policies and strategies regarding non-financial areas from a super-long-term perspective across the group and monitor the progress of initiatives at each company

Four Experiential Values

Important issues that we must solve to continue protecting the well-being of all including future generations

	Material Issues (Materiality)	Sustainability targets
8 DECENT WORK AND ECONOMIC GROWTH	Livelihood stability through insurance	Elimination of the protection gap
1 NO POVERTY	Sense of security in later life	Extension of asset life
3 GOOD HEALTH AND WELL-BEING	Promote health for all	Improve the health age Control social protection benefit costs
11 SUSTAINABLE CITIES AND COMMUNITIES	Building a safe and secure community	Enhancement of mental wellbeing (Contributing to a sense of security in the community)
10 REDUCED INEQUALITIES	Optimal experiential value that meet customer needs	Improve customer loyalty

Sustainability of Society

Important issues that we must solve to ensure future sustainable society, which is an essential for realizing the well-being of all

	Material Issues (Materiality)	Sustainability targets
13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY	Responding to climate change Improving efficiency of energy use and promoting clean energy	Achieve carbon neutral to ensure the sustainability of the global environment, which is the foundation of people's lives
10 REDUCED INEQUALITIES 5 GENDER EQUALITY	Defending human rights Empowerment of women	Maximize the potential of each individual to realize the success of a diverse people Pursue Group Employees Value Proposition (EVP)
17 PARTNERSHIPS FOR THE GOALS	Contributing to society through responsible loans and investments	Expand investments and loans that contribute to creating a positive social impact

*Description of major issues and sustainability targets

Drive Initiatives for Carbon Neutral

- **Accelerate initiatives for early realization of carbon neutral to ensure the sustainability of the global environment, which is the foundation of people's lives**

Material Issues (Materiality)

13 CLIMATE ACTION	Responding to climate change
7 AFFORDABLE AND CLEAN ENERGY	Improving efficiency of energy use and promoting clean energy

Set new targets for CO2 emission reduction
(50% reduction by FY2025, 100% reduction by FY2040)

▶ For CO2 emission reduction (Scope 1+2) plan to achieve target ahead of previous schedule

(Scope 1+2) vs. FY2019

FY2025-	**50%** reduction
FY2040-	**100%** reduction

▶ Set targets reducing Scope 3 of CO2 emissions for items that should be emphasized from the perspective of leading change in business and employee behavior* (Dai-ichi Life)

*Limited to identifiable items

Dai-ichi Life (Scope 3) vs. FY2019

FY2030-	**30%** reduction
FY2050-	**100%** reduction

Towards net zero greenhouse gas emissions of investment portfolio (Dai-ichi Life)

▶ Join Net-Zero Asset Owner Alliance, an international initiative in which institutional investors aim to transition to portfolios with net-zero greenhouse gas emissions by 2050

Specific Initiatives

- ■ **Set interim five years targets (stocks, bonds, real estate)**
- ■ **Strengthen engagement with investee companies (dialogue on climate change response, etc.)**
- ■ **Supporting transition to a low-carbon society and creation of environmental innovation through investments**

Set policy to achieve 100% renewable energy (Dai-ichi Life)

▶ Joined international initiative "RE100" (August 2019)

▶ Set a policy to procure 100% of the electricity consumed in business activities from renewable energy by FY2023 (For real estate with investment purpose achieve during FY2021)

▶ Establish a scheme to supply electricity to our owned real estate from invested and financed renewable energy power plants (51 domestic and overseas plants with a total output of about 6,500MW), utilizing FiT-certified renewable electricity with tracking option

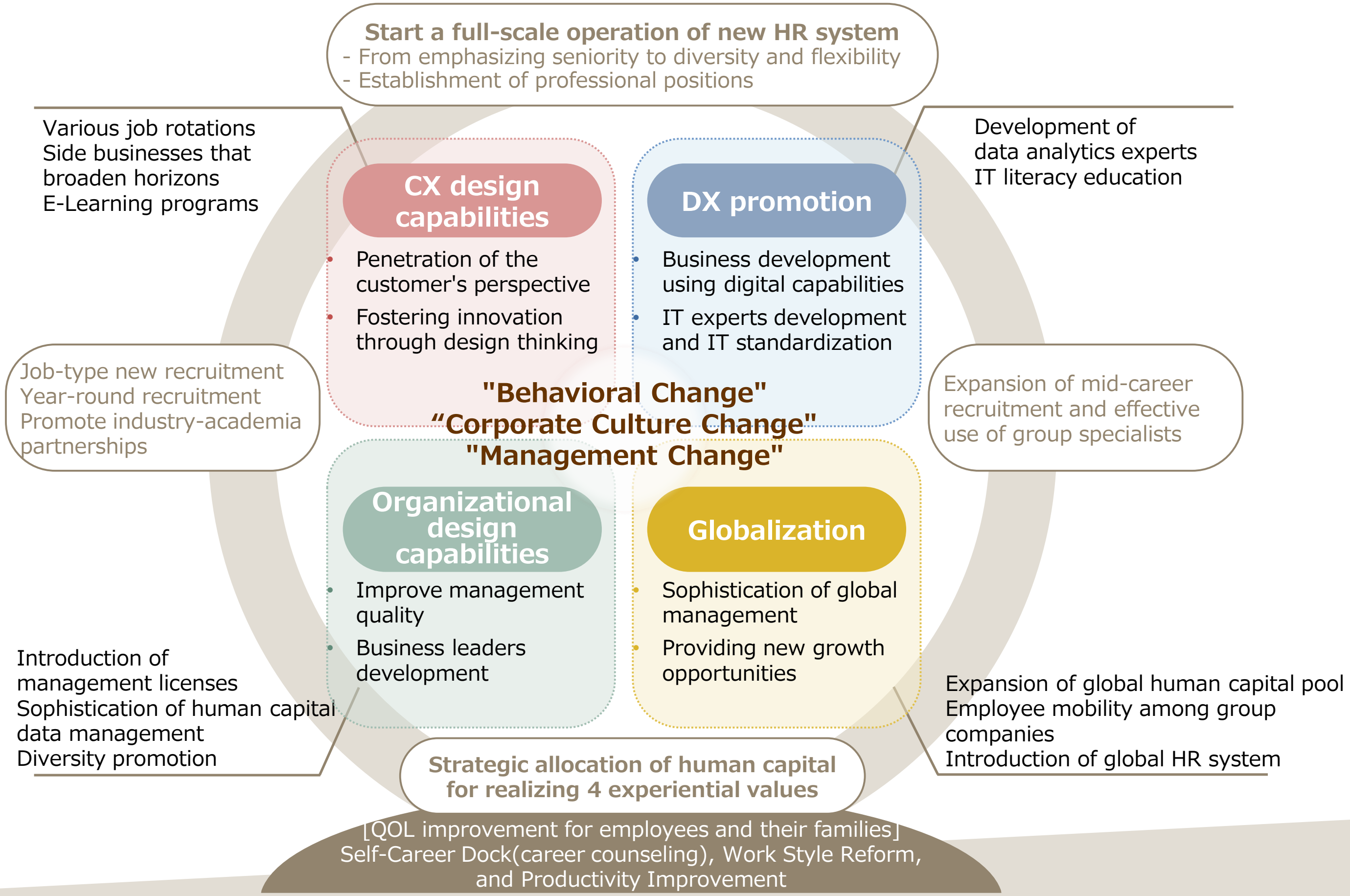
Group Human Capital Strategy and Group Governance to Support Business Foundation

- **Develop highly engaging employees and organizations to be the driving force for business transformation in the new management plan**
- **Continuous evolution of group governance in light of various changes in the domestic and global external environment**

Group Human Capital Strategy for Business Transformation

Organization with diverse talents that realize 4 experiential values

Maximize potential through proactive career development of each



Start a full-scale operation of new HR system
- From emphasizing seniority to diversity and flexibility
- Establishment of professional positions

Various job rotations
Side businesses that broaden horizons
E-Learning programs

CX design capabilities
- Penetration of the customer's perspective
- Fostering innovation through design thinking

DX promotion
- Business development using digital capabilities
- IT experts development and IT standardization

Development of data analytics experts
IT literacy education

Job-type new recruitment
Year-round recruitment
Promote industry-academia partnerships

"Behavioral Change"
“Corporate Culture Change"
"Management Change"

Expansion of mid-career recruitment and effective use of group specialists

Organizational design capabilities
- Improve management quality
- Business leaders development

Globalization
- Sophistication of global management
- Providing new growth opportunities

Introduction of management licenses
Sophistication of human capital data management
Diversity promotion

Expansion of global human capital pool
Employee mobility among group companies
Introduction of global HR system

Strategic allocation of human capital for realizing 4 experiential values

[QOL improvement for employees and their families]
Self-Career Dock(career counseling), Work Style Reform, and Productivity Improvement

Evolution of Group Governance

Efforts to Strengthen Global Governance (GLC: Global Leaders Committee)

▶ Global Leaders Committee (GLC) was established in the previous medium-term management plan, composed of the president of the holdings, the CEOs and related directors of the group overseas companies, with the aim of utilizing global knowledge and enhancing management.

▶ In the new management plan, we will promote initiatives so that each company, who is an expert in overseas business, can proactively be involved in management, and accelerate the creation of a more essential global management framework, such as the formulation of overseas strategies and the consideration of the utilization of overseas human capital.

Establishment of the Group Sustainability Promotion Committee Strengthening the monitoring of the medium-term management plan by the Board of Directors

▶ Establishment of the Group Sustainability Promotion Committee:
In order to realize a sustainable society, from a group-wide and super-long-term perspective, implement group-wide policies and strategies related to non-financial areas, monitoring of the implementation status of initiatives at group companies, etc. (formation of project teams at operating companies level to accelerate activities)

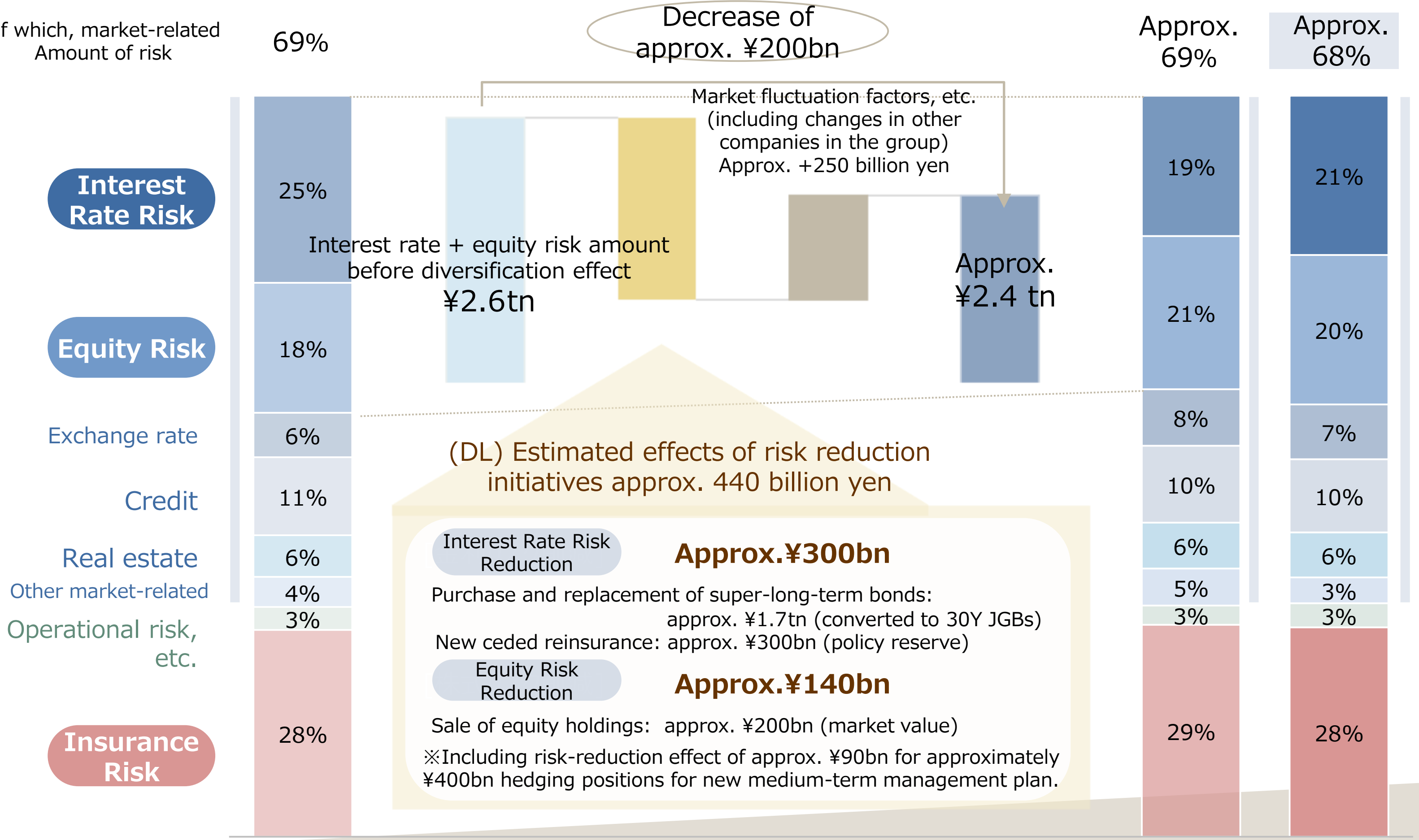
▶ Strengthen monitoring of medium-term management plan:
The Board of Directors strengthen their monitoring of the progress of business strategies (expand and explore), financial and capital strategies in terms of both quantity and quantity in the medium-term management plan.

Re-connect 2023

Reference Materials

(Reference)
Changes in the Risk Profile in FY2020 and the Status of Market Risk Reduction Efforts

	Mar-20 [Before changes to UFR, etc.]	Mar-21 Estimate [Before]	Mar-21 Estimate [After]
ESR	**195%**	Approx. **226%**	Approx. **206%**
Shareholders' Equity/Risk Amount (¥ in trillions)	7.2/3.7	Approx.8.0/3.5	7.4/3.5
Of which, market-related Amount of risk	69%	Approx. 69%	Approx. 68%



(DL) Estimated effects of risk reduction initiatives approx. 440 billion yen

Interest Rate Risk Reduction **Approx.¥300bn**

Purchase and replacement of super-long-term bonds: approx. ¥1.7tn (converted to 30Y JGBs)

New ceded reinsurance: approx. ¥300bn (policy reserve)

Equity Risk Reduction **Approx.¥140bn**

Sale of equity holdings: approx. ¥200bn (market value)

※Including risk-reduction effect of approx. ¥90bn for approximately ¥400bn hedging positions for new medium-term management plan.

✓ Interest rate and equity risk decreased by approx. ¥200 billion YoY

[Effects of risk reduction initiatives]

- Achieved an approximately ¥440 billion by substantial progress in reducing interest rate risk and sale of our equity holdings in line with our plan.

  (of which ¥90 billion is a hedging position established with the aim of accelerating risk-reduction benefits during new medium-term management plan)

[Market fluctuation factors, etc.]

- Increased by approximately ¥250 billion due to market fluctuations, reflecting a sharp recovery in the stock market

*Figures are estimates and are subject to change after the FY2020 financial results are finalized.

(Reference)
Impact of UFR Standards Changes for Group EEV and New Business Value (estimated value for FY2019)

Dai-ichi Life Holdings

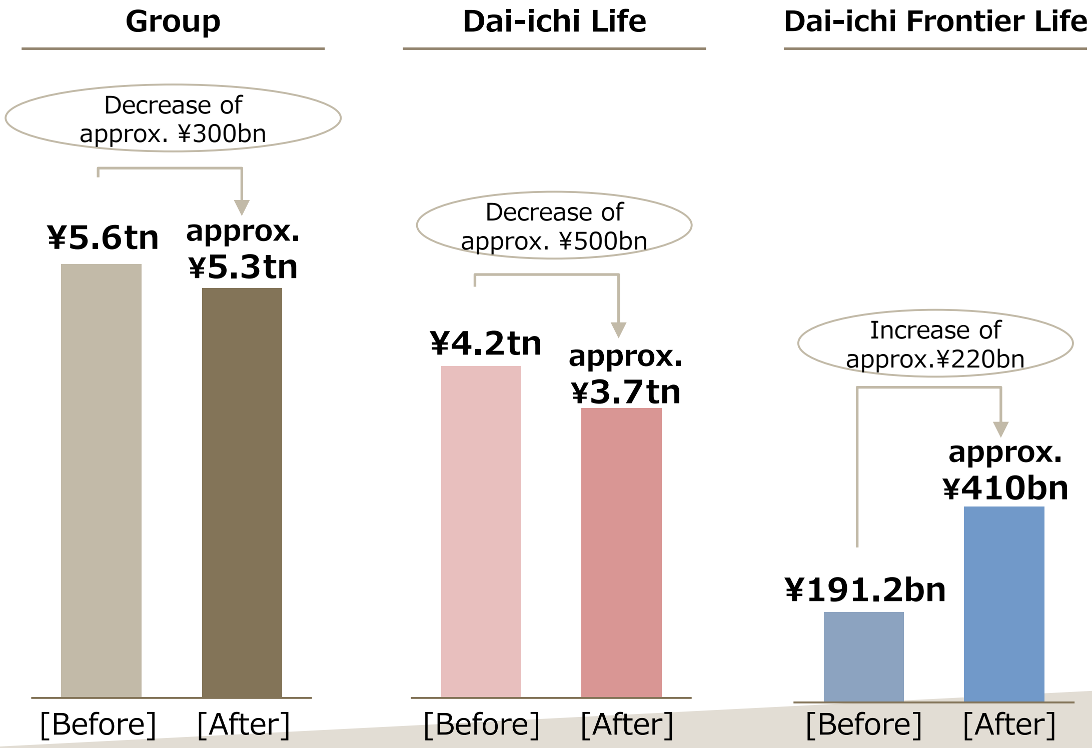
Main Revisions

Dai-ichi Life	**Reflecting changes in Ultimate Forward Rates (UFR) and Last Liquidity Point (LLP)** Application of UFR(2.5%) and LLP (40th year)
Dai-ichi Frontier Life	**Reflecting corporate bond spreads in the discount rate used for insurance liability valuation, etc.** Adding a discount rate calculated with reference to International Insurance Capital Standards (ICS)

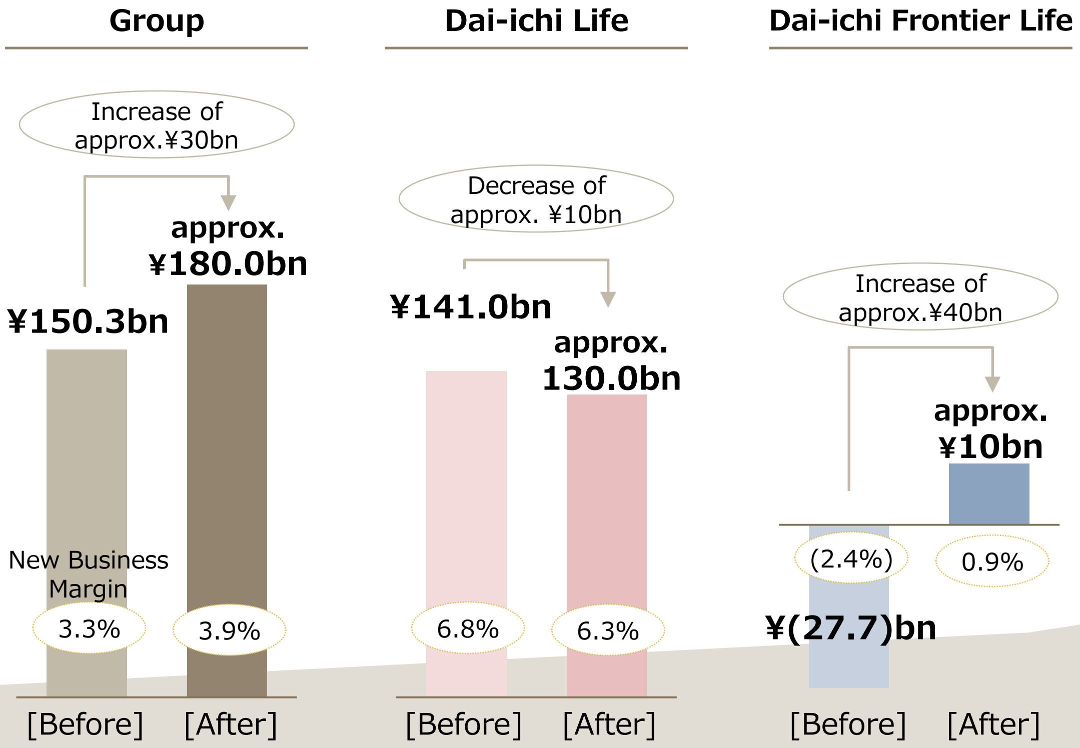
- Implemented standard changes in conjunction with changes to UFRs, etc. in economic solvency ratio (ESR)
- The changes at Dai-ichi Frontier Life are mainly for single premium savings-type products denominated in foreign currencies, based on the actual state of asset management in which matching investment is conducted by foreign currency-denominated corporate bonds
- Scheduled to adopt this change from the FY2020 for EEV measurement

*Estimates prior to verification by third-party, and may change after finalization of financial results

Impact on Group EEV (Mar-20)



Impact on new business value (FY2019)



(Reference) Adjusted ROE Definition

Adjusted ROE = [Numerator] Adjusted profit ÷ [Denominator] Adjusted net assets (Average of year beginnning and ending value)

Adjusted net assets = Net assets - Goodwill - Unrealized gains/losses on fixed-income assets* + MVA balance at Dai-ichi Frontier Life

* Dai-ichi Life, Neo First Life: Amount classified as net unrealized gains on securities within fixed-income assets(1)
Dai-ichi Frontier Life, Protective Life: Net unrealized gains on securities, net of tax

Adjusted ROE historical data

(¥ in billions/ %)

	FY2016	FY2017	FY2018	FY2019
Group Adjusted ROE	**8.6%**	**8.5%**	**7.6%**	**9.5%**
Numerator (Adjusted Profit)	210.1	243.2	236.3	274.5
Denominator (Average Adjusted net assets)	2,448.5	2,856.5	3,095.8	2,875.3
Denominator (FY end Adjusted net assets)	2,612.3	3,100.8	3,090.7	2,659.9
[Calculation of denominator]				
Net assets	3,136.0	3,747.9	3,712.4	3,775.8
(−) Goodwill	57.9	51.4	48.9	39.4
(−) Unrealized gains / losses on fixed-income assets	477.1	603.5	595.6	1,258.8
(+) [DFL] MVA balance	11.3	7.9	22.8	182.4
Net assets for Adjusted ROE	2,612.3	3,100.8	3,090.7	2,659.9
o/w Shareholder's equity	1,300.7	1,589.6	1,708.8	1,641.5
Dai-ichi Life Adjusted ROE	**5.8%**	**8.0%**	**7.6%**	**7.8%**
Numerator (Adjusted Profit)	125.4	169.8	171.4	150.2
Denominator (Average Adjusted net assets)	2,154.8	2,127.4	2,243.6	1,913.8
Denominator (FY end Adjusted net assets)	1,945.3	2,309.6	2,177.7	1,650.0
[Calculation of denominator]				
Net assets	2,481.6	2,888.2	2,885.2	2,549.9
(−) Unrealized gains / losses on fixed-income assets	536.3	578.6	707.5	899.8
Net assets for Adjusted ROE	1,945.3	2,309.6	2,177.7	1,650.0
o/w Shareholder's equity	561.2	696.0	684.1	630.1

Definition of Group Adjusted Profit

Group Adjusted Profit = Adjusted profit of subsidiaries + Gain on adjustment of affiliates + Holding company profit and loss, etc.

[Adjustment 1] (Provision for contingency and price fluctuation reserves, etc. (in excess of statutory requirement, net of tax))

In addition, if there are retained earnings of overseas subsidiaries and affiliates, adjustments will be made case-by-case basis.

[Adjustment 2] (MVA related gains (losses), net of tax, etc.)

Adjusted for technical accounting valuation gains and losses

[Adjustment 3] (Amortization of goodwill, gains/losses on acquisition phase, gains/losses on change in shareholding, etc.)

Adjusted for gains/losses on organizational restructuring and amortization of goodwill, etc. in the consolidation procedures of each company.

---

(1) It mainly defines unrealized gains/losses on yen-denominated bonds, purchased monetary claims, hedged foreign currency-denominated bonds, and investment trusts whose main investment targets are fixed-income assets.

Investor Contact

Dai-ichi Life Holdings, Inc.
Investor Relations Group
Corporate Planning Unit
+81 50 3780 6930

Disclaimer

The information in this presentation is subject to change without prior notice. Neither this presentation nor any of its contents may be disclosed or used by any other party for any other purpose without the prior written consent of Dai-ichi Life Holdings, Inc. (the “Company”).

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