



August 12th, 2022

Acquisition of Partners Group Holdings Limited, a New Zealand Life Insurer, as a Wholly Owned Subsidiary

Dai-ichi Life Holdings, Inc. (the “Company” or “Group” President: Seiji Inagaki) hereby announces that on August 12, 2022, the Company, through its intermediary holding company, Dai-ichi Life International Holdings, LLC Head office: 1-13-1 Yurakucho, Chiyoda-ku, Tokyo, Japan; Managing member: Dai-ichi Life International; Purpose: 1) the business of companies engaged in the insurance business outside Japan, and other subsidiaries and affiliates, 2) any and all businesses incidental or related to the foregoing; Amount of capital: JPY 5 million; (“ the Intermediary Hold Co”), has decided to acquire Partners Group Holdings Limited (“Partners Life”), a life insurance holding company in New Zealand (the “Acquisition”). Upon completion of the Acquisition, Partners Life will become a part of the consolidated group of the Company and a specified subsidiary under the Cabinet Office Ordinance on the Disclosure of Corporate Affairs.

1. Background of the Acquisition

In our medium-term management plan "Re-connect 2023" for FY 2021 - 2023 ("mid-term plan"), we have adopted "Capital circulation management" as a group strategy and are working to achieve capital efficiency that exceeds the cost of capital.

For the reduction of cost of capital, we aim to reduce the high market sensitivity of our stock price by changing our risk profile, including reducing market risk. Furthermore, to improve capital efficiency, we are promoting an "Ambidextrous management," which combines 1) "expanding" businesses through improving efficiency of existing businesses and new business development and 2) "exploring" acquisitions of new organizational capabilities, such as digital technology.

In our overseas business strategy, we are building a balanced business portfolio in regions with different market stages, and we believe that the characteristics of Partners Life's business model, such as high capital efficiency, insurance risk focus, and superior digital capability, are consistent with our strategies and will further strengthen our platform for sustainable growth.

2. Overview of Partners Life

Established in 2010, Partners Life (Head Office: Auckland, New Zealand) is the second largest (based on in-force¹ and new business premiums²) and a fast-growing insurance company in New Zealand that offers simple protection

¹ Including BNZ Life. Please see below for further detail of BNZ Life and refer to Note 5.

² For the 12 months to 31 March 2022.

products and IFA³ support through its proprietary digital platform. Partners Life became profitable within its first five years of operations, and grew rapidly to become the second largest player in the New Zealand life insurance market in its tenth year of operation. We believe that the acquisition will be part of our efforts towards achieving our mid-term plan to "reduce the cost of capital" by further increasing the share of insurance risks, "expand" our protection business, and "explore" the possibility of acquiring digital and organizational capabilities.

Partners Life and its subsidiary, Partners Life Limited ("PLL"), have strengths and core competencies including: 1) profitability secured by offering mainly protection-type products, and market-leading product development capabilities through the development and sale of many new industry-first products, 2) high-quality end-to-end support for IFAs that is highly trusted by the IFA network, and the introduction of an IFA commission system linked to customer satisfaction, which was an industry first, 3) "legacy-less" operation of products and systems while developing and operating its core digital platform for insurance sales, and 4) experienced and diversified management team members who lead the planning and strategy execution. The company's growth is driven by a team that includes Naomi Ballantyne, CEO of Partners Life, and founder of two life insurance companies and Jim Minto, Chairman of Partners Life⁴ as well as New Zealand Fintech founders and entrepreneurs.

At the end of 2020, PLL announced the acquisition⁵ of BNZ Life ("BNZ Life"), a subsidiary of Bank of New Zealand ("BNZ Bank"). One intention of the BNZ Life acquisition is to reach its customer base through a 10-year-exclusive strategic alliance with BNZ Bank, which will allow Partners Life to diversify its channels, expand, and stabilize its business scale while maintaining the IFA channel as its core business.

3. Strategic Rationale of the Acquisition

(1) Platform for stable growth, by entering a developed market and strengthening the overseas business portfolio through geographic diversification

- The acquisition marks our entry into the third country within developed markets, which is the first time since the acquisition of Protective Life in the U.S. in 2015, and the ninth country for our overseas business as a whole.
- The New Zealand market is expected to contribute to the Company by supplementing and stabilizing our overseas business profits while diversifying our business geographically. Key market features include: 1) relatively low insurance penetration⁶ of less than 1%, 2) highly profitable products for protection and personal insurance, and 3) relatively small but stable growth expectations, due to a proactive immigration policy and GDP per capita that exceeds that of Japan.

(2) Sustainable and continuous profitable growth through a distinctive business model that has achieved rapid growth and the utilization of the company's know-how

³ IFA stands for Independent Financial Advisor and means an independent agent. IFA's advise clients on and distribute insurance and other products independently from a specific insurance company or financial institution.

⁴ Former CEO of TAL, a fully owned subsidiary of the Company.

⁵ The completion of the BNZ Life acquisition, which was announced at the end of 2020, is due on September 30, 2022. A price adjustment clause has been included in the share purchase agreement, stipulating that in the event that the BNZ Life acquisition is not completed at the time of completion of the Partners Life acquisition by the Company, a deduction will be made to the consideration paid by the Company. In the event that the BNZ Life acquisition completes subsequent to the Partners Life acquisition, the Company will pay an amount equal to the deduction to the Partners Life consideration upon completion of the BNZ Life acquisition.

⁶ Insurance penetration refers to the ratio of life insurance premiums to GDP. In Japan this index reaches approx. 6%.

- Partners Life and PLL provide one-year renewal type protection-type products, which enables the company to secure sustainable profitability and flexible pricing, resulting in a business that can expect stable and favorable risk/return. For the Group's strategy, the Company is expected to reduce the cost of capital and grow profits by expanding the share of insurance risk in its overall risk-taking strategy.
- We also believe that their core competencies, such as its “legacy-less” operations and digital organizational capabilities as well as the operational alignment between the business and its customers and channel partners have been the driving force of its rapid growth. The Company will look to maintain this institutional knowledge in New Zealand whilst also knowledge sharing within the Group.
- Considering the characteristics of its business, which is expected to achieve stable growth and high profitability, we expect it to contribute \$NZ 67 million (approximately JPY 5.7 billion)⁷ in terms of Group adjusted profit base and 50% of profit for Group cash flow in FY 2026.

(3) Aim to maintain further growth for the Company and pursue future synergies within our group

- To achieve sustainable growth for Partners Life within our Group, we will consider various possibilities, including the utilization of our Group's expertise and business assets in addition to further strengthening existing initiatives.
- The Company will also study and consider some initiatives such as up-selling to existing policyholders after the completion of the acquisition of BNZ Life, efficient capital and financial measures within the Group, and sharing know-how and collaboration with TAL in Australia, which has similarities in the insurance market and culture.

4. Acquisition Scheme

The Company will acquire 100 percent of Partners Life's shares through the Intermediary Hold Co on the premise that the Company increases the capital of the Intermediary Hold Co.

⁷ Converted at 1 NZD = 84.71 JPY.

5. Overview of the subsidiary (Partners Life) subject to change

Company Name	Partners Life Group Holdings Limited		
Location	Level One, 33-45 Hurstmere Road, Takapuna, North Shore, 0740, NZ		
Representative	Managing Director, Naomi Ballantyne		
Description of business	Provision of life insurance and related services		
Share Capital	\$NZ 479.5 million (as of March 2022)		
Date of Establishment	August 23, 2010		
Major shareholders and ownership ratios	Immortality Pte. Ltd. (Blackstone)	52.57%	
	Partners Group Nominee Limited.	21.01%	
	MCAF PLL Nominee Limited	9.30%	
	Rangatira Limited	4.93%	
	Stahl Capital Limited	4.28%	
	Masfen Securities Limited	2.88%	
	Waterman Fund 2 Limited Partnership	2.10%	
	Kibo Investments Pte. Ltd.	1.15%	
	Other shareholders	1.79%	
Relationship between the Company and said company	Capital relationship	N/A	
	Personnel relationship	N/A	
	Business relationship	N/A	
Consolidated operating results and consolidated financial positions of said company for the last three years			
As of / Fiscal year ended	March 31, 2020	March 31, 2021	March 31, 2022
Net Assets	496 million \$NZ	593 million \$NZ	673 million \$NZ
Total Assets	1,076 million \$NZ	1,129 million \$NZ	1,322 million \$NZ
Net Assets/Share	2.91 \$NZ	3.48 \$NZ	3.95 \$NZ
Premium Income	287 million \$NZ	326 million \$NZ	370 million \$NZ
Profit before Income Tax	55.3 million \$NZ	18.9 million \$NZ	2.5 million \$NZ
Net Profit after Income Tax	55.3 million \$NZ	18.9 million \$NZ	2.5 million \$NZ
NPAT/Share	0.32 \$NZ	0.11 \$NZ	0.01 \$NZ
Dividend/Share	- \$NZ	- \$NZ	- \$NZ

(Numbers are rounded to the nearest million dollars, unless otherwise stated)

6. Overview of the counterparty to the acquisition of shares⁸

Name	Immortality Pte. Ltd.	
Location	77 Robinson Road, #13-00, Robinson 77, Singapore 068896	
Job title and name of representative	Director: 1. See KwangYew 2. Chan Pey Yuan	
Description of business	Investment, holding and management of securities such as stocks and corporate bonds	
Share capital	N/A	
Date of establishment	April 26, 2016	
Net assets	N/A	
Total assets	N/A	
Major shareholders and ownership ratios	N/A	
Relationship between the Company and said company	Capital relationship	N/A
	Personnel relationship	N/A
	Business relationship	N/A
	Related party relationship	N/A

7. Number of shares acquired, acquisition costs, and shareholding before and after acquisition

Number of shares held before Acquisition	0 (voting right: 0%, number of voting right: 0)			
Number of Shares Acquired	170,325,349 shares ⁹ (number of voting right: 170,325,349)			
Acquisition Costs	Acquisition Price ¹⁰	\$NZD	980 million	(JPY 83.0 billion ⁷)
	Advisory fees, etc.	\$NZD	30 million	(JPY 2.5 billion ⁷)
	Total	\$NZD	1,010 million	(JPY 85.6 billion ⁷)
Shares held after Acquisition	170,325,349 shares ⁹ (number of voting right: 170,325,349) (indirect voting right 100%, number of voting right 100%)			

⁸ Another counterparty to the acquisition of shares is Partners Life Group Nominee Limited, which holds 21.01% of the shares of Partners Life (please refer to 5. Overview of the subsidiary (Partners Life) subject to change). Partners Life Group Nominee Limited is a legal holder of Partners Life's shares on behalf of its substantial shareholders, and is not an entity engaged in any business, does not have any capital, personnel, business relationship or a related party relationship with the Company. None of the other counterparties to the acquisition of shares has any capital, personnel, business relationship or related party relationship with the company.

⁹ The number of shares shown is the total number of shares issued by Partners Life as of March 31, 2022. Partners Life plans to issue new shares (3,603,774 shares as of the signing date of the share purchase agreement) as stock-based compensation to its group employees before the closing and will acquire all shares of Partners Life at the time of the closing, including the newly issued shares.

¹⁰ The price may fluctuate depending on price adjustments prior to closing. Please refer to Note 5 above for the price adjustment provisions related to the BNZ Life acquisition.

8. Schedule

August 12, 2022

December 2022 – April 2023¹¹

Decision making date for the signing of the share purchase agreement and others

Closing

9. Outlook

The impact of this acquisition on the Company's consolidated financial results for this year and beyond is now being examined. Any matters requiring disclosure will be promptly informed to the market. The profit and loss of Partners Life is expected to be reflected in our consolidated financial results from FY 2022 or FY 2023, depending on the timing of completion of the acquisition.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on May 12, 2022) and actual consolidated results for the previous fiscal year.

(billion yen)

	Consolidated Ordinary Revenues	Consolidated Ordinary Profit	Net income attributable to shareholders of parent company	Consolidated adjusted profit
Consolidated financial results forecasts for the current fiscal year (Fiscal year ending March 2023)	7,612	512	285	270
Actual consolidated financial results for the previous fiscal year (Fiscal year ended March 2022)	8,209	590	409	296

¹¹ Subject to approvals by the relevant authorities of both countries and is subject to change.

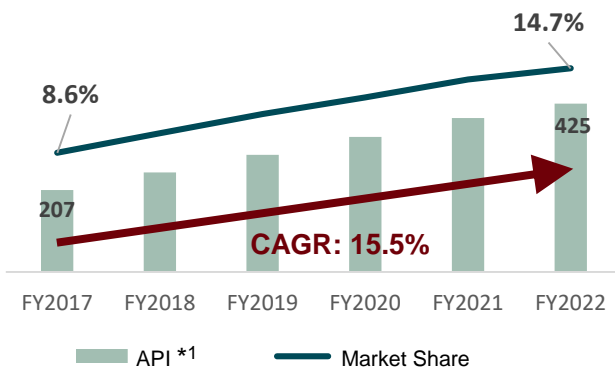
Partners Life Characteristics

- ▶ Partners Life is an emerging life insurance company in New Zealand that has grown to be the second largest life insurer in the market within 10 years since its inception, with its “non-legacy” strategy and outstanding digital capabilities
- ▶ Partners Life has established an unparalleled reputation with the Independent Financial Advisers (“IFAs”) – the dominant insurance distribution channel in New Zealand – through simple and innovative products and industry-leading advisor support capabilities

Company Profile

Name	Partners Group Holdings Limited
Establishment date	August 2010
CEO	Naomi Ballantyne (Founder)
Number of employees	268
Premium Income*1	370 million NZD
Net income*1	c. 33 million NZD (*excluding one-off factors)*2
Total Assets*1	1,322 million NZD
Solvency Margin Ratio*1	127% (*Regulatory requirement is to maintain >100%)

Annual Premium Income, Market Share*3



Market-leading Differentiated Business Model

“Legacy-less” business set apart from traditional life insurance companies

Thorough system outsourcing

- Cloud-based outsourcing used for major processes
- End-to-end straight through process through API connections
- Embraces a cloud-native, legacy-less approach to utilize the latest technology and ensure flexibility and scalability

Risk control through reinsurance

- Underwriting risk is controlled by utilizing reinsurance for majority of new policies each year
- Low market-related risk through investment in term-deposits and government securities

Achieved industry-leading reputation by focusing on customer and channels support capabilities

Simple and innovative products

- Majority of Partners Life policies have yearly renewable term premium structures
- Market-leading product suite and new-product innovation; existing policyholders can enjoy automatic upgrades when favorable products are introduced
- Obtained top rank from independent ratings agency (Quality Product Research) across all product categories

Industry-leading customer and adviser support

- Maintains top-level external evaluations in most major operations such as customer processing and policy administration, as well as digital underwriting
- IFAs are supported through an end-to-end journey, from licensing to sales advice support (~2/3 of IFAs in the country can offer Partners Life products)

partners life

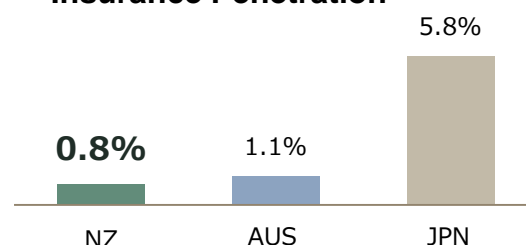
New Zealand Life Insurance Market Overview

- ▶ NZ Market is broadly similar to Australian market in terms of product composition (mostly risk products) and channel composition (mainly IFAs)
- ▶ Although the market is small, it is profitable, with stable market growth expected due to population and economic growth

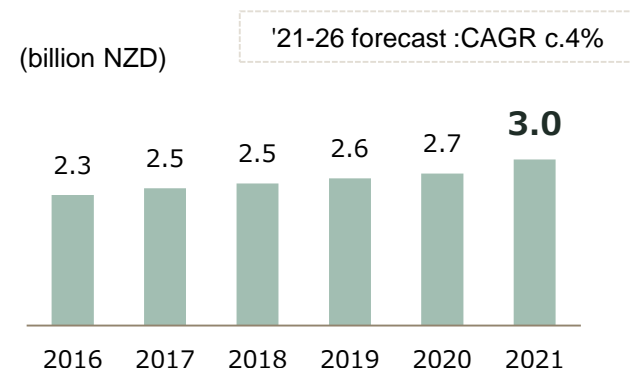
Life Insurance Market Overview

Population	5.12 million (2021)* ¹ (2050 UN forecast: 5.94 million)
Real GDP growth rate	+2.8% ('12-21 yearly average) (‘22-26 IMF forecast: +2.3%)

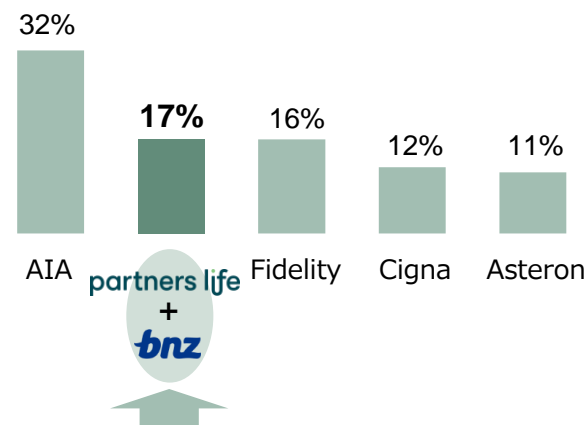
Insurance Penetration*²



In-force business ANP



In-force ANP Market Share*³

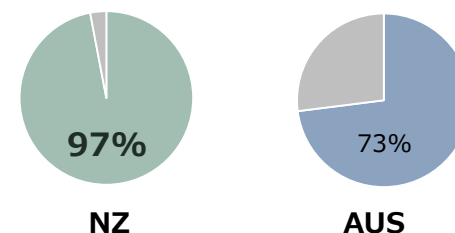


- ✓ Partners Life announced the acquisition of BNZ Life and exclusive referral partnership in 2020 and is in the process towards completion

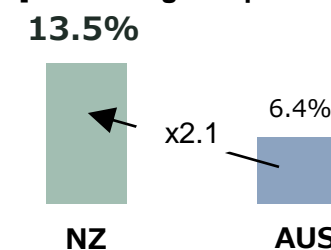
New Zealand and Australia Market Comparison

- ✓ Although the market size is about 1/7th of Australia, the ratio of protection-type products in New Zealand is higher at 97%, and profitability is high compared to Australia
- ✓ Product characteristics and channel composition is broadly similar

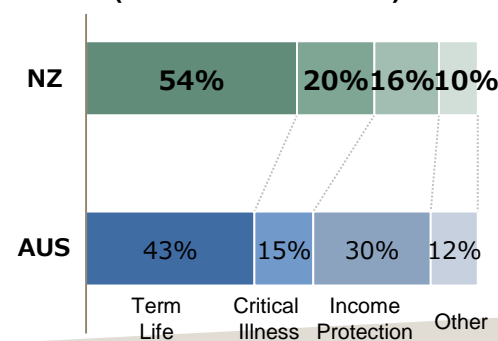
[Ratio of Protection-type products]*⁴



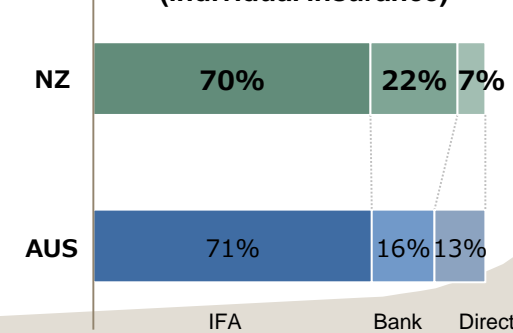
[Profit margin to premium]*⁵



[API Share by Product]*⁴ (individual insurance)



[API share by channel]*⁴ (individual insurance)





Group financial impact and strategic significance

- ▶ We agreed to acquire 100 percent of Partners Life's shares through the Intermediary Hold Co (DLIHD) on the premise that Dai-ichi Life Holdings (DLHD) injects the capital to DLIHD
- ▶ Expect steady contribution to group adjusted profit and cash due to stable growth and profitable business characteristics
- ▶ Improve the group risk profile through insurance risk-centered business profile, increase our digital competitiveness, as well as utilize their non-legacy strategy

Scheme • Valuation

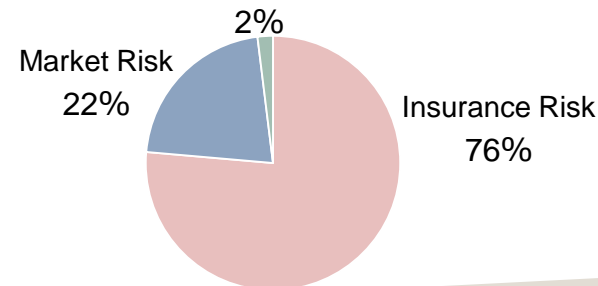
Acquisition Price	980 million NZD (~83.0 billion JPY) *1
Valuation	P/EV Ratio : 1.1x*2 PER : 15x*3 PBR : 1.5x*4
IRR	c. 10% Exceed CoC assumed based on the NZ market and business characteristics
Acquisition scheme	Funded by DLIHD on the premise that DLHD injects the capital to the Intermediary Hold Co.
Estimated completion date	Dec 2022~Apr 2023 (Subject to approval of relevant authorities)

Group financial Impact

Contribution to Group adjusted profit and cash	Adjusted profit: c. 67 million NZD (~5 billion JPY) in FY2026*6 Cash contribution: c. 50% of profit in the mid-term
Impact on group ESR	c. 3% decrease (compared to 227% as of Mar 2022)
Group risk profile	Insurance risk share will increase by c. 0.5% (compared to 31% as of Mar 2022)

Partners Life Risk Profile*5

Operational Risk and others



Strategic Significance

- ✓ Acquiring a platform with stable growth through market expansion in the developed market and strengthening the overseas business portfolio through geographical diversification
 - 3rd market entry in a developed country (9th in overseas business)
 - Profitable market dominated by protection product
- ✓ Learning from fast growing business model and contribution to improve group risk profile
 - Learning and acquiring digital capabilities and legacy-less strategy
 - Contributing to improve group risk profile
- ✓ Pursuing areas for mutual synergies potential (for example, with TAL in Australia given the market affinity of New Zealand and Australia)
 - Opportunity for sharing advice platform and capabilities of Partners Life, and digital/ marketing expertise in direct channel of TAL
 - Opportunity for sharing of capabilities and possible synergies between Partners Life and TAL in back office functions

*1 1 NZD = 84.71, subject to customary price adjustments at completion *2 Based on EV as of Mar-2022 including BNZ Life *3 Based on outlook of FY2026 adjusted profit *4 Based on net assets as of Mar-2022 *5 Estimate as of Mar-2022 *6 Including BNZ Life