



March 14, 2024

[Unofficial Translation]

Tetsuya Kikuta  
Representative Director, President  
Chief Executive Officer  
Dai-ichi Life Holdings, Inc.  
Code: 8750 (TSE Prime section)

---

---

## **Investment in Canyon Partners Group, a US-Based Asset Management Company**

---

---

On March 14, 2024, Dai-ichi Life Holdings, Inc. (the “Company”; President and Representative Director: Tetsuya Kikuta) reached an agreement with the management of Canyon Partners, LLC and Canyon Partners Real Estate LLC, US-based limited liability companies engaged in alternative asset management business with strengths in credit investments (collectively, “Canyon Partners”; Canyon Partners and its affiliated companies, etc. are collectively referred to as “Canyon Partners Group”) that the Company will make an investment in Canyon Partners (“This Investment”). The Company decided today to enter into a transaction agreement. This Investment will be executed through the following scheme: US-incorporated limited liability company in which the Company holds a 100% stake (“DLUS LLC”, tentative name) and a limited liability holding company of Canyon Partners (“New LLC”) will be established, and the Company will acquire a stake in New LLC by making an indirect investment in New LLC through DLUS LLC. The Company plans to hold a 19.9% stake in New LLC after going through due regulatory registration and other necessary processes with regulatory authorities. The Company also plans to dispatch secondees to serve as New LLC’s directors and to make New LLC as the Company’s equity-method affiliate.

In addition to This Investment, the Company has an option to make an additional investment in 2027 and onwards. If the Company exercises this option, the Company will hold a majority stake in New LCC, thereby making it its consolidated subsidiary.

### **1. Background**

- Under its 2021-23 medium-term management plan “Re-connect 2023” (the “Medium-Term Plan”), the Company has been striving for the group-wide strategy to achieve disciplined capital management, pursuing capital efficiency to generate return that exceeds cost of capital over the medium- to long-term. In an aim to lower the cost of capital, the Company believes that it is effective to increase the contribution from asset management business with low cost of capital in the overall portfolio while accelerating measures to mitigate market-related risks.
- Among asset management businesses, alternative asset management business has been growing significantly in recent years and the Company expect that it will continue growing on the back of diversification in corporate financing methods and shift in the flow of institutional investors’ funds to alternative investments.

## 2. Overview of Canyon Partners

- Established in 1990<sup>1</sup> by Joshua S. Friedman and Mitchell R. Julis, Canyon Partners (headquartered in Dallas, US) is an alternative asset management company with USD24.4 billion<sup>2</sup> (JPY3.6 trillion<sup>3</sup>) in assets under management.
- Under the leadership of its co-founders Joshua S. Friedman and Mitchell R. Julis, Canyon Partners has expanded its network globally, covering the US, Europe, and Asia. Canyon Partners operates in the private credit market, a domain that has become increasingly attractive over the past years. Canyon Partners serves a wide array of investors, leveraging its unique expertise in credit investments across hedge funds with long-established track record, CLO (loan-backed securities), private debt, and real assets (incl. real estate).

## 3. Strategic Rationale and Expected Impacts

### (1) Enhancement of the group-wide business portfolio through an acquisition of alternative asset management business with significant growth potential

- Canyon Partners Group invests in private debt and real assets, which are alternative assets, and is known for its exceptional investment management capability in that domain. This Investment is expected to contribute to an enhancement of the group-wide business portfolio through an acquisition of alternative asset management capabilities in line with the Japanese government's initiative to promote Japan as a leading asset management center.

### (2) Utilization of alternative asset management expertise, and maximization of synergy effects

- The alternative asset management business, including private debt investments, offers significant growth potential for life insurance companies within the Company group from the perspective of yield improvement as well as product development. Through this Investment, the Company will strengthen and expand its asset management business. In addition, the Company will acquire the capabilities of alternative investment management, particularly in the global credit area, which are required for the Company's life insurance business, and pursue realizing synergies within the Company group.

## 4. Scheme of This Investment

- This Investment is planned to be implemented through the following scheme:
  - Investing Entity: DLUS LLC (US-incorporated LLC, in which the Company will have a 100% stake)
  - Investment Structure: The Company will acquire a stake in New LLC, which is a holding company of Canyon Partners, LLC and Canyon Partner Real Estate LLC, indirectly through DLUS LLC. The Company plans to dispatch 2 secondees to serve as New LLC's directors.

---

<sup>1</sup> Canyon Partners Real Estate LLC was established in 1991.

<sup>2</sup> Canyon Partners' estimates as of July 1, 2023, including investments exited after June 30, 2023 and prior to the first business day of July 2023. Investment balance of drawdown vehicles includes uncalled commitments.

<sup>3</sup> Values in JPY are converted at USD1 = JPY 147.53. The same applies to all following yen conversions.

Ownership Ratio: The Company will hold a 19.9% stake in New LLC through DLUS LLC

Additional Investment: The Company has an option to increase its stake in New LLC to 51% in 2027, and to 100% in 2029. Acquisition price when exercising the option will be determined by using the pre-agreed formula based on the initial investment valuation and EBITDA.

- In addition to This Investment, the Company will entrust Canyon Partners Group to manage funds of over USD1.3 billion.
- There will be no change in the management of Canyon Partners Group, as the current management members will continue to carry out the management of Canyon Partners Group' businesses.

## 5. Overview of the Company Scheduled to Become an Equity-Method Affiliate (New LLC)

Company Name	CP New Co LLC		
Address	850 New Burton Road, Suite 201, Dover, Kent County, Delaware 19904.		
Name / Title of the Representative	Joshua S. Friedman, Mitchell R. Julis (Co-Founder, Co-Chairman and Co-Chief Executive Officer)		
Business Overview	Limited liability holding company of alternative asset management companies Canyon Partners, LLC and Canyon Partners Real Estate LLC		
Investment Amount*	USD255million		
Establishment	February 6, 2024		
Ownership (post-money)	DLUS LLC: 19.9% Canyon Holdco LLC: 80.1%* * Canyon Holdco LLC is a holding company effectively controlled by Mr. Joshua S. Friedman and Mitchell R. Julis		
Relationship with Listed Company	Capital Relationship	N/A	
	Human Relationship	N/A	
	Trade Relationship	N/A	
Financial results and financial positions over the last 3 years: * Below figures are pro-forma created by combining financial results and financial positions of Canyon Partners, LLC and Canyon Partners Real Estate LLC, given that New LLC is a newly established limited liability company			
Fiscal Year	FY2020/12	FY2021/12	FY2022/12
Net Assets	USD458 million	USD634 million	USD 457 million
Total Assets	USD644 million	USD906 million	USD 664 million
Net Revenue	USD284 million	USD557 million	USD226 million
Operating Profit	USD29 million	USD220 million	USD▲2 million
Net Income	USD12 million	USD144 million	USD ▲11 million

(Rounded to digit /decimal places shown above)

\* Investment amount is shown above because there is no relevant disclosure about the amount of capital for a limited liability company under the Delaware Limited Liability Company Act (LLC Act).

## 6. Stake to Be Acquired, Acquisition Costs, Pre- / Post-Transaction Ownership

Pre-Transaction Ownership	-
Stake to Be Acquired	19.9%
Acquisition Costs	Consideration for Shares                      255 million (c. JPY37.6 billion) Advisory Fees, etc. (Estimate)              8 million (c. JPY1.2 billion) Total (Estimate)                                      263 million (c. JPY38.8 billion)
Post-Transaction Ownership	19.9%

## 7. Schedule

March 14, 2024	Decision for entering into a transaction agreement and execution of agreements. Voluntary disclosure, press release
Mid-May ~ June 2024	Acquisition of new shares of New LLC by the Company (tentative)

## 8. Future Outlook

This acquisition is expected to have a limited impact on the Company's consolidated results for the current fiscal year as well as for subsequent fiscal years. Please note that, with New LLC becoming an equity-method affiliate of the Company, earnings of Canyon Partners Group will be included in the Company's consolidated results from FY2025/3, depending on the completion of This Investment. If the Company exercises an option to make an additional investment, New LLC will become a consolidated subsidiary of the Company. Should any matters that require disclosure, the Company will disclose such matters in a timely manner.

-----  
Investor Contact:

Investor Relations Group

Corporate Planning Unit

Dai-ichi Life Holdings, Inc.

+81 3 3216 1222

This press release may contain statements that are “forward-looking statements” regarding our intent, belief or current expectations of management with respect to our future results of operations and financial condition. Any such forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Important factors that could cause actual results to differ from those in specific forward-looking statements include, without limitation, economic and market conditions, consumer sentiment, political events, level and volatility of interest rates, currency exchange rates, security valuations and competitive conditions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ.

## 1. Deal Overview and Expected Financial Impact

- ▶ Dai-ichi Life Holdings (“DLHD”) will make an investment in Canyon Partners, LLC and Canyon Partners Real Estate LLC (“Canyon Partners”), a US-based alternative asset management company with strengths in credit investments.
- ▶ We will expand the Group’s asset management business revenues by entering highly profitable alternative asset management business with high-growth potential.
- ▶ We will further boost the competitiveness and differentiation in the insurance business by acquiring and utilizing expertise in credit and alternative asset investment in which demand is growing at life insurance subsidiaries.

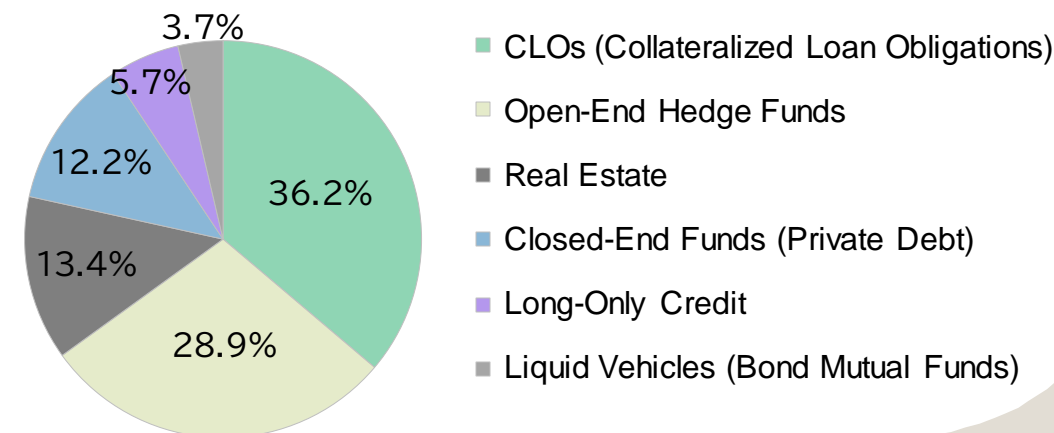
### Deal Overview and Expected Financial Impact on Group

Target Companies	Canyon Partners, LLC and Canyon Partners Real Estate LLC (US-Based Alternative Asset Management Company)
Investment Amount	USD255 million (from DLHD own capital)
Ownership Ratio	19.9%
Expected IRR	Approx.12%(10-year period)
Commitments	The Group plans to entrust Canyon Partners to manage assets of over USD1.3 billion. Utilizing the injected capitals as a financial source, DLHD plans to invest in Canyon Partners’ funds as a general partner (seed round investment).
Other Information	DLHD has an option to make an additional investment in 2027 to hold a majority stake which will eventually lead to hold a 100% stake in 2029.

### Company Overview of Canyon Partners

Assets under Management	USD24.4 billion <sup>(1)</sup>
Number of Employees	227 <sup>(2)</sup>

【AUM Breakdown】<sup>(1)</sup>



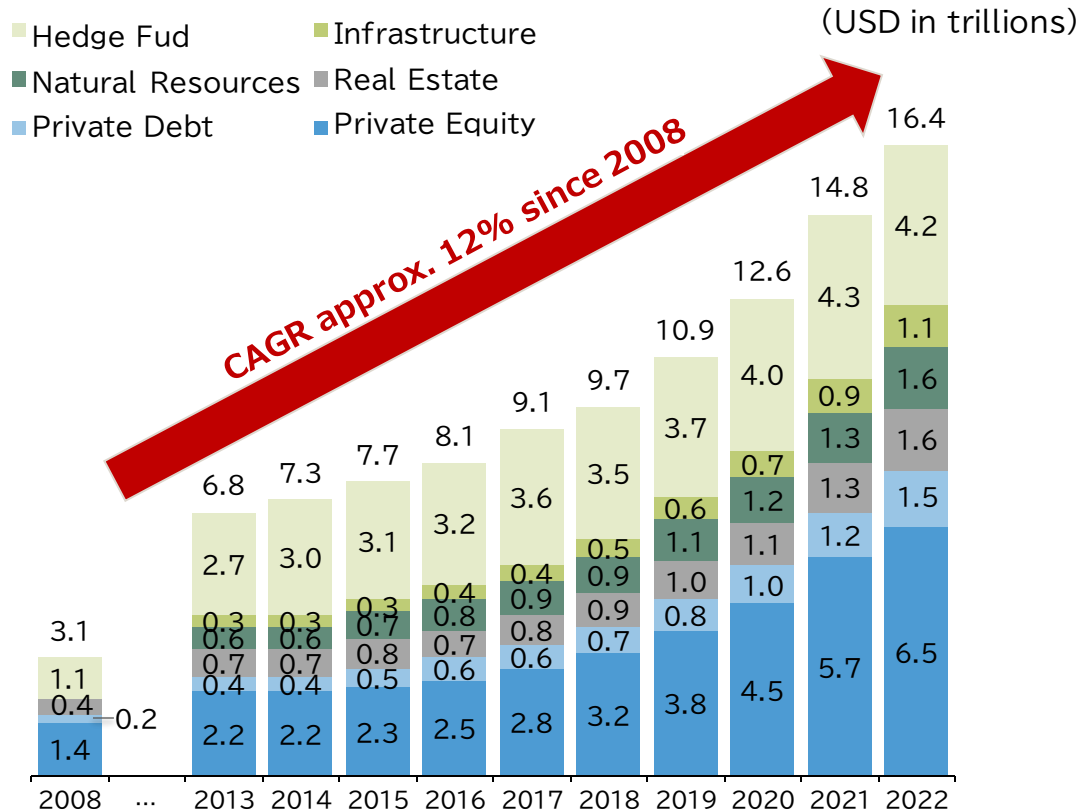
(1) As of July 1, 2023 (2) As of the end of December 2023



## 2. Overview of Alternative AM Market, Presence of Canyon Partners, and Synergies for the Group

- ▶ Alternative asset management market where Canyon Partners operates business has expanded significantly in recent years compared to traditional asset markets.
- ▶ Canyon Partners has strengths in private debt and CLO, and has established a certain position in the market.
- ▶ It is expected to generate synergies for the Group by improving the Group's investment return and reducing asset management outsourcing costs that flow out of the Group.

### Overview of Alternative AM Market (Global AUM)<sup>(1)</sup>



### Canyon Partners in Alternative Markets<sup>(2)</sup>

Global Total Capital Raised Ranking in Opportunistic Credit (over past 10 years)	#28
Global Hedge Fund AUM Ranking	#37
CLO League Table	#45

### Potential Synergies of Canyon Partners with the Group



(1) Source: Preqin (2) Source: Creditflux, Pensions & Investments (As of June 30, 2023), Preqin (As of October 24, 2023)