
Dai-ichi Life HD and M&G establish long-term strategic partnership

- **Dai-ichi Life HD and M&G establish an ambitious long-term strategic partnership**
- **Dai-ichi Life HD intends to acquire a c.15% shareholding in M&G plc**
- **M&G to become preferred asset management partner for Dai-ichi Life HD in Europe**
- **Partnership is expected to deliver at least \$6 billion of new business flows for M&G and \$2 billion of new business flows for Dai-ichi Life HD over the next five years**

Dai-ichi Life Holdings, Inc. (“Dai-ichi Life HD”) and M&G today announce a new long-term strategic partnership across asset management and life insurance.

In recognition of M&G’s compelling investment case and growth potential, Dai-ichi Life HD intends (subject to regulatory approvals) to acquire a shareholding of c.15% in M&G plc, creating significant alignment to capture long-term value creation opportunities across an array of strategic initiatives. Dai-ichi Life HD intends to acquire this stake via on-market purchases with no change to M&G’s issued share capital. Subject to certain conditions having been met, Dai-ichi Life HD will have the right to appoint a director to the Board of M&G plc for as long as it holds at least a 15% shareholding in M&G plc.

M&G, one of the leading international active asset managers and asset owners, will become Dai-ichi Life HD’s preferred asset management partner in Europe. This strategic partnership will be focused on growth, distribution and product development opportunities, with the goal of delivering substantial new business flows for both Dai-ichi Life HD and M&G.

Consistent with M&G’s strategy to deliver asset management and international growth, the strategic partnership with Dai-ichi Life HD will accelerate M&G’s expansion in European private markets, while opening new potential sources of business flows in Japan and across Asia. M&G expects the partnership to drive improved long-term new business flows and to support growth in Adjusted Operating Profit.

M&G will support Dai-ichi Life HD’s access to public and private markets capabilities in Europe, for Dai-ichi Life HD’s own investment requirements as well as the needs of its customers. Dai-ichi Life HD highly values the strong life insurance capabilities of M&G and, as part of the partnership, will work closely with M&G to enhance its own expertise in bulk purchase annuities.

Under the terms of the arrangement:

- The partnership is expected to generate at least \$6 billion in new business flows into funds managed by M&G over the next five years, of which at least \$3 billion is intended to be in M&G's market-leading high-alpha strategies across public and private markets;
- Of the \$6 billion new business flows, half is expected to come from Dai-ichi Life HD's balance sheet, on an evergreen basis. The other half will come from joint development opportunities, such as the distribution of M&G products by Dai-ichi Life HD;
- Similarly, the partnership is expected to generate at least \$2 billion in new business flows for Dai-ichi Life HD over five years, through a combination of balance sheet investments in, or distribution of, asset management products offered by Dai-ichi Life HD's subsidiaries, and through Dai-ichi Life HD's distribution of jointly developed products;
- Dai-ichi Life HD will also consider distributing M&G products in Japan and Asia, as well as working together to develop new products;
- Dai-ichi Life HD and M&G will also consider collaboration in life insurance in Europe and Japan; and
- Dai-ichi Life HD and M&G will pursue opportunities to co-invest in new asset management capabilities, in line with their respective asset allocation needs and growth priorities.

Shareholding and governance

Dai-ichi Life HD and M&G are fully aligned to deliver long-term growth from the partnership. Dai-ichi Life HD is highly supportive of M&G's strategic ambitions and intends to acquire a c.15% shareholding in M&G.

In connection with the strategic partnership arrangement, Dai-ichi Life HD and M&G have entered into an Implementation Agreement which governs the form of Dai-ichi Life HD's ownership and governance rights, including its right to appoint a director to the M&G Board (on the basis described above).

As part of this agreement, Dai-ichi Life HD has agreed to customary contractual restrictions, including:

- A lock-up on M&G shares for two years following Dai-ichi Life HD's shareholding reaching the 15% threshold, subject to customary exceptions;
- A standstill restriction not to acquire M&G shares above 19.99% of M&G's issued share capital, subject to customary exceptions; and
- An orderly market arrangement relating to disposals of M&G shares.

Dai-ichi Life HD will also have certain customary information rights in connection with its shareholding. Dai-ichi Life HD intends to acquire a c.15% interest in the shares of M&G, subject to the receipt of regulatory approvals. Dai-ichi Life HD plans to appoint a financial institution to facilitate its acquisition of M&G shares and assist with risk management in relation thereto.

As a result of Dai-ichi Life HD's c.15% shareholding, subject to certain conditions having been met, Dai-ichi Life HD will have the right to appoint a director to the Board of M&G plc, and it is expected that M&G will be an affiliate of Dai-ichi Life HD for Japanese accounting purposes⁽¹⁾.

The arrangements can be terminated by the parties in certain circumstances, including if the parties are no longer strategically aligned (in which event Dai-ichi Life HD's director nomination and information rights fall away).

Tetsuya Kikuta, President and CEO of Dai-ichi Life HD said:

“Dai-ichi Life Holdings is delighted to enter into a strategic alliance with M&G, a highly regarded global player in the insurance and asset management industries, to collaborate and develop capabilities together in multiple areas, especially in Europe.”

“We see our partnership with M&G acting as a spearhead to develop our presence across Europe and the UK, accelerating our strategy to become a global top-tier insurance group.”

“M&G possesses not only a reputable and long-established life insurance business, but comprehensive asset management solutions in both public and private markets.”

“With this alliance, we are bringing together our respective capabilities to create a mutually beneficial partnership that will create value over the long-term.”

Andrea Rossi, Group CEO of M&G said:

“The strategic partnership with Dai-ichi Life Holdings and the associated c.15% investment is recognition of M&G's strengths and clear confidence in our leadership, strategy and long-term prospects.”

“It brings together two highly complementary international businesses with shared growth ambitions who aim to deliver excellent client service and sustainable shareholder returns.”

“It will enable us to further capitalise on the significant private market opportunities across Europe and enable even greater access to the Japanese and Asian market where we will benefit from Dai-ichi Life Holdings market-leading expertise.”

About Dai-ichi Life HD

Dai-ichi Life HD was established in 1902 as Japan's first mutual insurance company. Dai-ichi Life HD demutualized and was listed on the Tokyo Stock Exchange in 2010 and shifted to a holding company structure in 2016. Dai-ichi Life HD has been expanding its presence overseas since 2007. Dai-ichi Life HD will continue to promote growth that is balanced between developed markets and emerging markets. Dai-

ichi Life HD has 67.5 trillion yen in total assets and contributes to society and moves the economy and financial markets as an institutional investor pursuing both stability and profitability and by supporting capital needs in growth areas such as infrastructure.

About M&G

M&G is a leading international savings and investments business, managing money for around 4.5 million retail clients and more than 900 institutional clients in 39 offices worldwide. As at 31 December 2024, we had £345.9 billion of assets under management and administration. With a heritage dating back more than 170 years, M&G has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our retail and savings clients under the M&G and Prudential brands in the UK and Europe, and under the M&G Investments brand for asset management clients globally.