Business Strategy Presentation
(International Life Insurance Business & New Fields of Business)
Q&A Summary

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*The page numbers indicated in this document refer to the page numbers in Part I and Part II of the respective materials.

Part I: International Life Insurance Business

Q: You mentioned that the U.S. retail annuity business is growing and will be an area of focus going forward. How do you view the competitive environment? With insurers backed by alternative asset managers gaining market share and consolidation among major insurers appearing to increase market concentration, how do you intend to compete in this market given the scale of your business? In addition, this appears to be a business that requires strong asset management capabilities, including private debt origination, as well as scale in distribution and policy administration. How do you assess your prospects for competing successfully in this market?

A: (Kai)

As I mentioned earlier, we aim to generate approximately $1 billion in profit in North America by FY2030, with retail annuities expected to be the principal driver. The expansion of the capital-light businesses currently underway will also contribute to some extent, but we expect roughly half of the profit growth to come from retail annuities.

In terms of capabilities, PLC currently takes a relatively conservative approach to asset management. We believe that improving the yield on its investment portfolio will enable it to increase market share more than it has to date.

With respect to private debt investment capabilities, in areas where PLC's direct capabilities are not yet sufficient, we intend to grow the business by using external capabilities to an appropriate extent and by drawing on the capabilities of Canyon, in which we hold an approximately 20% stake. PLC already has sufficient capabilities in distribution and policy administration.

The most important priority is to strengthen investment capabilities. By gradually improving a portfolio that has historically been managed relatively conservatively, we believe there is substantial room for further growth.

We are also developing products other than fixed annuities. From the perspective of product diversity as well, we believe the business still has considerable potential.

The $1 billion profit target is challenging, but it is not unrealistic. We believe the plan has a reasonable degree of feasibility.

Q: Under your inorganic growth strategy, I assume that the U.S. is a priority candidate for capital deployment. Please explain whether there are any specific businesses you lack or wish to expand. Is the current market environment conducive to finding such opportunities in the near future?

A: (Kai)

In considering bolt-on M&A, the capital-light businesses I mentioned earlier are somewhat niche, but they have developed sufficiently strong competitiveness as they have expanded. As with the recent acquisitions of Obsidian and Portfolio, you can expect bolt-on M&A in areas such as asset protection and E&S businesses - niche areas that offer sufficient growth potential and in which PLC has firmly established capabilities.

We are considering a range of specific opportunities, but nothing has been decided. These are also relatively new areas for PLC, and I believe we should expand after first ensuring that the necessary capabilities have been firmly established.

Q: Diversification is relatively easy to understand in property and casualty insurance, but in life insurance, regulatory environments differ by region and expertise may be difficult to transfer across markets. Diversification may be preferable if stability is the priority, whereas concentration may be more effective if the objective is to enhance profitability. Please explain your approach and priorities in deciding whether to deploy resources to further strengthen regions in which you already have advantages or to diversify into other regions.

A: (Kai)

We believe that we have achieved a certain degree of geographic diversification.

In the previous fiscal year, the International Life Insurance Business generated more than ¥110 billion in adjusted profit. PLC achieved growth through cost reductions and strong business performance, while TAL recorded negative growth due to an increase in claims. We believe that the benefits of diversification helped maintain a certain degree of stability in the earnings of the International Life Insurance Business as a whole. We have built a diversified portfolio from this perspective and will continue to consider the appropriate balance.

Toward FY2030, we aim to generate approximately 50% of the Group's profit from the International Life Insurance Business. With only four years remaining, we intend to allocate resources and capital to opportunities that can generate profit and return cash relatively quickly. Accordingly, we expect M&A in developed markets to be the main focus of our inorganic growth strategy.

Q: I would like to ask about the potential of Japan's private asset market. Overseas, insurers are using long-duration insurance liabilities to invest in private assets. We assume that the investment in M&G is also intended to provide access to its expertise and know-how. What can currently be done to apply that knowledge in Japan, and are there any aspects that cannot be implemented in Japan due to regulatory constraints or other factors?

A: (Kai)

Where liabilities are denominated in U.S. dollars, ALM can be achieved, for example, by investing in U.S. dollar-denominated private assets.

In Japan, private assets can naturally be effective from an ALM perspective if factors such as cash-flow duration are appropriately considered. However, because the domestic private debt market is not yet sufficiently developed, we believe it will take more time for private debt to become a core asset class.

One area in which knowledge and experience from M&G and its businesses could ultimately be applied in Japan is Bulk Purchase Annuity, or BPA, commonly referred to as pension buyouts. M&G made a major shift from being a traditional life insurer toward the asset formation business, and BPA is one of its growth strategies.

Unfortunately, pension buyout is not currently permitted in Japan under existing regulations. We believe there is a reasonable possibility that these regulations will be relaxed in the future. We therefore intend to have M&G share its growth strategy and risk-management expertise in the pension buyout business so that we can prepare for the possibility that this market opens in Japan.

Q: In Australia, you intend to expand into the annuity business. Given that TAL's exposure to life insurance risk is not particularly large, will combining TAL with Challenger, which has a large asset-based annuity business, genuinely provide diversification benefits, and how significant could those benefits be? In addition, how much risk is associated with the

capital-intensive annuity business, and what level of investment do you envisage allocating to it going forward? Finally, please comment on the competitive environment.

A: (Kai)

TAL holds more than 30% of the protection market and is the leading company in that segment. Our base strategy is to expand stable profit in this area. At the same time, Australia’s retirement market is currently one of the five largest in the world, and we expect it to remain a substantial market going forward, although this will take some time.

We have acquired a 20% interest in Challenger as a strategic foothold in Australia's retirement market, which is expected to expand over time. TAL's protection business and the retirement business represent, respectively, a pure protection business and a spread business. We therefore expect diversification benefits, including the potential release of some capital. Although the current scale is not sufficient to produce a very large effect, we believe meaningful diversification benefits can be achieved.

Although any view of the future competitive environment is necessarily a forecast, we expect the market to become sufficiently large to attract multiple entrants.

Challenger, however, is the clear market leader in annuities. Through our partnership with Challenger, we believe we are in a highly advantageous position from the outset. Challenger has particularly strong capabilities in product development and underwriting, and we believe partnering with it is the best way to participate in future market growth.

As you noted, the annuity business is a spread business and therefore requires a certain amount of capital. Reinsurance can be used to manage this burden. In addition, capital regulations in Australia are expected to be relaxed, which should reduce the capital requirement. We made 20% investment in Challenger after taking these factors into account.

Q: What impact will the new regulations have on the capital requirements of the annuity business?

A: (Nishimura)

The most significant impact of the regulatory change will arise from the change in the liability discount rate. The discount rate will be changed from a risk-free rate to a rate that can reflect investment spreads. The resulting increase in the discount rate is expected to have the greatest effect by reducing required capital.

A: (Kai)

Another point is that capital can be reduced by increasing investments in bonds regarded as safe. We understand that the risk factor applied to market risk will be lowered, so that the safer the investment approach, the lower the capital requirement.

Q: In other words, safer asset management will reduce the capital requirement more than under the current framework.

A: (Kai)

That is correct. The more rigorously bond portfolio ALM is implemented, the lower the capital requirement will be compared with the current framework.

Q: Regarding PLC's organic growth potential, approximately ¥110 billion for FY2028 shown on page 6 appears consistent with the $685 million in adjusted net income for FY2028 presented in PLC's Annual Company Update. However, PLC's three-year forecast shows a significant acceleration in growth from FY2027 to FY2028, creating a J-curve-like trajectory. What is expected to drive this acceleration? Beyond that period, should we understand that growth will enter a more normalized phase as PLC moves toward the $1 billion target, or could the growth rate continue to vary by fiscal year?

A: (Kai)

Regarding profit growth from FY2025 to FY2030, we expect continued strong demand for the retirement business. Through steady growth in account balances, stronger investment capabilities and improved spreads, we expect profit to increase by several tens of billions of yen.

We also believe that the capital-light businesses, although niche, have developed strong competitiveness. As integration progresses and these businesses begin contributing to profit, we expect them to generate an additional increase of several tens of billions of yen. In aggregate, these factors are expected to increase adjusted profit from the current level of approximately ¥80 billion to $1 billion by FY2030.

The increase from FY2027 to FY2028 that you referred to is primarily attributable to the profit contribution from the capital-light businesses. We have acquired several companies over the past few years, and some are currently in the PMI phase. We expect to largely complete the relevant PMI processes during FY2027, with the resulting profit contribution becoming much more visible toward FY2028. The sharp increase in profit from FY2027 to FY2028 should therefore be understood as the point at which the capital-light businesses begin making a meaningful contribution. By contrast, we expect relatively stable growth in the retail annuity and retail insurance businesses.

Q: PLC's three-year forecast indicates that the RBC ratio will initially rise to a high level and then gradually decline over the following three years. I assume that the dividend payout ratio will be maintained at 50% during this period. What factors will drive the increase in risk-taking or the decline in the capital ratio?

A: (Nishimura)

The projected movement in the RBC ratio reflects the interaction between temporary improvement from measures such as reinsurance transactions and deterioration from the organic accumulation of risk-on exposures.

Q: Regarding the Asia Business Strategy on page 9, you indicated that market share has increased in several countries. Please explain the factors behind this improvement. Could similar growth trajectories be achieved by applying these initiatives in markets where your share remains low, such as India and Indonesia?

A: (Kai)

Approximately 20 years have passed since DLVN entered Vietnam in 2007. As mentioned earlier, DLKH and DLMM originally ranked around eighth or ninth in their respective markets, but they have steadily increased their market shares and currently rank fourth and third, respectively.

For DLMM, a major factor was the conclusion of a bancassurance agreement with Kanbawza Bank, Myanmar's largest bank. By introducing the expertise developed in Vietnam for bancassurance agreements, operations and management, DLMM has steadily produced results. At the same time, we intend to diversify distribution so that the business does not become overly dependent on bancassurance. Approximately 75% of DLMM's top line is currently generated through bancassurance with Kanbawza Bank, and this has driven the significant increase in market share.

DLKH, by contrast, relies mainly on agents, or individual insurance agents. In expanding market share, it is important to manage these agents effectively and enable them to sell insurance appropriately. DLKH therefore introduced DLVN's agent training and management systems, together with its expertise in subsequent policy administration. The ability to import high-level capabilities from DLVN at an early stage contributed to market-share growth. DLVN's particularly strong agent-channel management framework was an important factor.

Among SUD and PDL, where market share has not yet increased materially, SUD in particular is a joint venture with two state-owned banks and distributes products through bancassurance using their branch networks.

Because regulations differ by country, the bancassurance model used by DLVN, or the expertise transferred from DLVN to DLMM, cannot necessarily be applied to SUD without modification.

We also need to grow SUD. In addition to bancassurance sales through the branch networks of the two bank partners, we intend to diversify distribution by expanding channels such as individual agents and agencies similar to IFAs.

As you noted, differences in regulation mean that the models and expertise that can be transferred vary by country. Where a model can work, we believe it is important to introduce the relevant know-how as quickly as possible.

Q: **You explained the outlook for profit growth in each overseas region toward FY2030. The inorganic initiatives and PLC's retirement and insurance businesses appeared to incorporate a certain degree of stretch, while the Australian business appeared to have greater upside potential. Please discuss the areas in which you have particular confidence and those that you regard as more challenging.**

A: (Kai)

From the perspective of steadily increasing profit, Oceania, particularly Australia, holds a leading market position and has well-established capabilities in brand recognition, insurance underwriting and annuity underwriting. In FY2025, bottom-line profit declined somewhat due to claims issues affecting the industry as a whole. In FY2026, however, we expect these negative factors to fall away, and we have taken sufficient measures in response. We therefore expect profit to remain stable. Holding a leading position is extremely important, and Oceania has operations capable of delivering stable profit growth with relatively low volatility.

North America, on the other hand, is expected to generate approximately half of the profit of the International Life Insurance Business toward FY2030. As mentioned earlier, we believe the $1 billion target can be achieved organically based on assumptions that are not unrealistic, without requiring a large-scale M&A transaction. PLC performed strongly in FY2025 and has made progress in reducing costs, among other advanced initiatives. These efforts have substantially reduced earnings volatility compared with the past. The $1 billion target is not easy and remains challenging, but we believe PLC now has the business foundation to pursue it organically.

Developing markets, particularly countries at an early stage of development, involve multiple risks. Regulations may change suddenly, or industry-wide mis-selling issues may cause new business growth to stop. We invest in developing markets to pursue higher returns and participate in higher growth, and we must manage the associated volatility appropriately.

As mentioned earlier, our Asian Business began with DLVN approximately 20 years ago. During that period, we have accumulated a certain amount of expertise in damage control when incidents occur and in responding to regulatory changes. Unexpected events will occur, but our ability to respond to such difficulties has steadily improved.

Part II：New Fields of Business

Q: **You explained that the pieces will be assembled through Buy, Borrow and Build during the current medium-term management plan, and that the resulting synergies will be realized during the next plan. Please explain whether any necessary pieces are still missing. In addition, regarding Benefit One's profit potential for FY2030, at the presentation a year ago, former President Shiraishi commented that operating profit of ¥100 billion could be within reach. Under an optimistic scenario, what level of operating profit do you believe could be achieved?**

A: (Ogata)

Benefit One originally held a high market share among large companies and government agencies. Through collaboration with DL, it is now developing the nationwide SMEs market, where we believe there is substantial room for growth. One reason is that employee benefit services have not yet fully penetrated these companies. In addition, service margins are higher in the SMEs segment than among large companies, making this market well suited to improving business profit and profit margins. There also remain relatively few platforms that comprehensively cover SMEs. The number of potential corporate clients is very large, so this is challenging, but we intend to build a platform with broad coverage.

One element currently missing is a broader range of services that contribute to SMEs. Through acquisitions or alliances where appropriate, we intend to add diverse services beyond Benefit One's current employee benefits and human resources offerings.

Infomart, which I introduced earlier, is currently an alliance partner and has an overwhelmingly strong share, particularly in the restaurant industry within the SMEs market. We intend to develop the SMEs platform while flexibly pursuing investments in, or alliances with, companies that have strengths in specific verticals.

Regarding your second question, Shiraishi referred last year to operating profit of ¥100 billion. This is also a level we would like to pursue. At present, however, we have set a combined FY2030 target for the Asset Management Business and New Fields of Business of ¥70 billion, equivalent to 10% of the Group Adjusted Profit target of ¥700 billion. The allocation between asset management and new fields of business still needs to be refined, but we intend for New Fields of Business to generate at least half of that amount. Organic growth at Benefit One alone will not be sufficient to build profit in the short term, and additional M&A will therefore be very important.

Q: **What are the principal challenges in advancing New Fields of Business? In addition, which indicators do you monitor most closely as KPIs for Benefit One?**

A: (Ogata)

In considering the Group's business portfolio, we have multiple means of achieving growth, including the International Life Insurance Business and the Asset Management Business. We must decide where capital can be allocated most effectively, while also taking shareholders' views into account. Making these decisions while social and economic conditions continue to change is a challenge for the Company.

Against this backdrop, it would be difficult to continue making multiple acquisitions on the same scale as Benefit One. Increasing the profit of acquired businesses and combining them with other growth measures may sound straightforward, but execution requires organizational capabilities, which take time to build. Personally, I feel that time is limited. Not every new business will succeed, so the entire organization must increase the number of initiatives, explore a broad range of opportunities and be willing to take on challenges. Our insurance business has historically prioritized prudent protection and control, so shifting our mindset toward a different, and at times contrasting, approach is also a personal challenge.

Regarding Benefit One's KPIs, we regard the number of corporate clients acquired as the foundation of earnings. Through collaboration with DL, the number of clients increased by approximately 5,000 companies over the past two years, and we want to further accelerate the rate of acquisition. Fortunately, the withdrawal rate remains very low. Like the insurance business, this business can generate recurring revenue, and we intend to strengthen services further to maintain high retention.

Q: Please explain the definition of MAU on page 24. If it represents clicks, almost anyone may click at least once a month; if it represents transactions, it would indicate customers who are actually using the service. Compared with the frequency of life insurance transactions, measuring activity monthly is itself progress, but many other platforms monitor usage daily. Please also explain your awareness of the issue.

A: (Ogata)

For Benefit Station, Benefit One's principal service, MAU is defined as the monthly activity rate, including access through both the smartphone application and PCs.

As you noted, IT services often focus on DAU rather than MAU - in other words, how frequently users access a service each day. However, this approach is not necessarily appropriate for employee benefit services. For example, some users may use the service for travel during the summer holidays, and usage differs from that of other services. Therefore, DAU is not an appropriate measure of engagement for employee benefit services.

We believe that many financial institutions share the challenge of increasing MAU and providing an application that customers use every month. If we can raise MAU, the application will become a highly effective customer contact point for both Benefit One and our group.

Q: Regarding the synergies described on page 22, is it correct to understand that, of the 4,000 companies that introduced Benefit One services after it joined the Group, 779 subsequently purchased business owner insurance or introduced group insurance? Can the contribution to DL be quantified, for example in terms of new business value? How do you intend to acquire individual insurance business through the Benefit One platform?

A: (Ogata)

The number of companies using Benefit Station increased by approximately 4,700, from 16,900 in April 2024 to 21,600 in April 2026. Of these approximately 4,700 companies, around 4,000 were acquired through the sales activities of DL's distribution channels. Approximately half of these were new customers with no prior business relationship with DL, while 779 companies, or 19.4%, subsequently purchased business owner insurance or introduced group insurance after adopting Benefit Station. The proportion leading to insurance sales has increased over time. We aim to disclose Benefit One's quantitative contribution to DL at an early stage.

With respect to acquiring individual insurance business, our first priority is to generate profit from New Fields of Business. Beyond that, we intend to contribute to DL's insurance sales, including individual insurance. Personally, I believe Benefit One's initiatives must ultimately contribute to DL in order to be meaningful. After expanding the SMEs platform, we intend to work with the individual insurance and asset management businesses to create a model that can provide individual insurance and asset formation products in the workplace market.

Q: When funding initiatives under Buy, Borrow and Build, how much authority, discretion and budget are granted to the owner of New Fields of Business? Of the ¥1.5 trillion strategic investment capacity through FY2030, 70% is described as being allocated to developed markets and the remaining 30% to developing markets and New Fields of Business. This suggests that the maximum capacity available for New Fields of Business could be around ¥400-500 billion. Depending on the opportunity, could another investment comparable to the approximately ¥300 billion invested in Benefit One be considered?

A: (Ogata)

The amount of investment capital available for New Fields of Business is not fixed and will vary depending on strategic decisions and the circumstances of individual opportunities. As a personal sense of scale, however, the amount you mentioned is broadly consistent with the scale I have in mind.

We do not rule out the possibility of another acquisition on a scale comparable to Benefit One. We are targeting asset-light opportunities capable of generating reliable flow-based revenue. However, listed companies tend to trade at high multiples, and the negative impact of goodwill also affects earnings after acquisition. This tendency becomes more pronounced as transaction size increases. We therefore intend to explore opportunities, including mid-cap companies, that can enhance capital efficiency.

We are proactively identifying potential targets, including some large companies. At present, various combinations of large and small opportunities remain possible.

Q: What is the current status of collaboration between the International Life Insurance Business and Benefit One's overseas operations? When the acquisition of Benefit One was proposed, it was suggested that the Group could support the overseas expansion Benefit One had been pursuing independently. Has this become a lower priority?

A: (Ogata)

As part of its growth strategy, Benefit One had expanded into various countries in an effort to develop overseas operations. It is currently reviewing those operations based on profitability.

Benefit One has a startup subsidiary in Singapore. We are discussing collaboration with the International Life Insurance Business, particularly with respect to expanding Benefit One's services in Asia. By contrast, it would be difficult for Benefit One to enter other growth markets such as the U.S. or Europe independently and succeed, because larger markets tend to have stronger competitors. Business practices, including those relating to employee benefits, also differ. We intend to consider future expansion after conducting the necessary research and analysis.

Q: In considering new areas outside the SMEs platform, please explain whether you have established any criteria or priorities.

A: (Ogata)

Our main scenario is to build a platform for SMEs and, on that platform, deploy BtoB and BtoC services, as well as insurance and asset formation offerings.

Beyond this core scenario, we will also consider services using advanced technologies where they can generate synergies with the Group. Non-insurance opportunities that strengthen the Group as a whole may also be considered.

Q: **Are there any companies you use as reference points for expanding into businesses outside their core operations? Examples include JPMorgan and Zurich's travel business and Nippon Life's Nichii Gakkan.**

A: (Ogata)

We can learn from financial institutions that extend their value chains into non-financial areas, increase customer contact points and generate new sources of revenue, such as JPMorgan's travel business. In Japan, Rakuten and ORIX are examples of financial groups that have expanded into other industries, although we view their directions as different from ours.

Rakuten, for example, has very strong customer acquisition capabilities in non-insurance businesses and expands financial services from that base. Our model, by contrast, is to use assets developed through the insurance business to expand BtoB services and create benefits that flow back to the Group. As Group CEO Kikuta has stated, we aim to create an ecosystem unique to our Group. My personal impression is that ORIX operates more as an investor, whereas we believe that, at a minimum, we must invest and then actively enhance the value of the business.

In summary, in New Fields of Business, we intend to maximize the use of Group assets in order to enhance the value of acquired companies as quickly as possible.

Note: Some of the above content has been added or modified to make it easier to understand.
[Company name abbreviation] HD: Daiichi Life Group, Inc., DL: Daiichi Life, PLC: Protective, DLVN: Dai-ichi Life Vietnam, DLKH: Daiichi Life Cambodia, DLMM: Daiichi Life Myanmar, SUD: Star Union Dai-ichi Life, PDL: Panin Dai-ichi Life

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