



[Unofficial Translation]

May 12, 2022

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Representative Director, President
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE Prime section)

Notice Regarding Revision of Director Compensation System

At the Board of Directors meeting held today, Dai-ichi Life Holdings, Inc. (hereinafter referred to as the "the Company") reviewed the Director Compensation System and resolved to introduce a performance-linked stock-based remuneration scheme (hereinafter referred to as the "the Scheme") and to revise the amount of compensation for directors. The Company inform you as follows that it has decided to submit a proposal for the revision of these Director Compensation systems to the 12th Ordinary General Meeting of Shareholders (hereinafter referred to as the "General Meeting of Shareholders") scheduled to be held on June 20, 2022.

If the proposal for the General Meeting of Shareholders regarding the introduction of the Scheme is approved, the Scheme similar to that is planned to be introduced for executive officers of the Company who do not concurrently serve as directors, as well as directors of the major Company's subsidiaries except for the Company's outside directors.

I. About the introduction of the Scheme

1. Purpose of introduction of the Scheme

The compensation system for the directors of the Company (excluding directors serving as Audit and Supervisory Committee members and outside directors; hereinafter referred to as "Eligible Directors") consists of Basic amount, Single-year performance-linked amount (Company performance-linked amount and Personal performance-linked amount) and Restricted stock amount.

The Company have decided to introduce the Scheme newly to clarify the linkage between corporate performance coupled with the value of the Company's shares and the remuneration of Eligible Directors and provide them with an incentive to attain the performance targets as outlined in the Company's medium-term management plan and achieve sustainable enhancement of corporate value through medium- to long-term performance improvement.

Under the Scheme, since monetary claims will be paid to the Eligible Directors as compensation for the allocation of the Company's common stock, the Scheme will be introduced on condition that it is approved at the General Meeting of Shareholders as originally proposed. At the Annual General Meeting of Shareholders for the 6th Fiscal Year held on June 24, 2016 and the Annual General Meeting of Shareholders for the 8th Fiscal Year held on June 25, 2018, it was approved that the total amount of remuneration for the Company's directors (excluding directors serving as Audit & Supervisory Committee members) shall be set within 840 million yen per annum (including 72 million yen or less per annum for outside directors), of which the limit of 200 million yen per annum shall be set for the amount of remuneration, etc. for granting restricted stock (hereinafter, the scheme for granting restricted stock shall be referred to as the "restricted stock remuneration scheme") to directors

(excluding directors serving as Audit & Supervisory Committee members) excluding outside directors. At the General Meeting of Shareholders, the Company ask our shareholders to approve the introduction of the Scheme and the establishment of a new remuneration limit related to the Scheme for Eligible Directors, which is different from the above remuneration limit.

If the proposal for the Scheme is approved at the General Meeting of Shareholders as originally proposed, two stock remuneration schemes, namely, the restricted stock remuneration scheme and the Scheme, will coexist. In principle, however, the Company mainly utilizes the restricted stock remuneration scheme to share interests with shareholders, and positions the Scheme as an incentive for enhancing corporate value, and will continue to operate the restricted stock remuneration scheme as well within the scope approved at the above-mentioned Annual General Meeting of Shareholders for the 8th Fiscal Year, after setting a shorter restriction-on-transfer period than for those that have already been issued, and establishing clawback clauses after the removal of the restrictions, so that it functions as an appropriate incentive.

2. Overview of the System

Under the Scheme, each fiscal year, Eligible Directors shall be granted monetary claims based on the business performance during the Performance Evaluation Period, after the end of the Performance Evaluation Period. Eligible Directors shall pay in the said monetary claims by way of contribution in kind and receive shares of common stock of the Company to be issued or disposed of by the Company. The Performance Evaluation Period shall be a period of three fiscal years, and the Performance Evaluation Indicators shall be indicators using the business results of the Group (including sustainability indicators), as determined in advance by the Board of Directors.

Based on the introduction of the Scheme, the remuneration to be paid to Eligible Directors for the allotment of shares of common stock of the Company shall be monetary claims totaling 200 million yen or less per annum. The specific timing and details of payment to each Eligible Director shall be decided separately at a meeting of the Board of Directors.

The total number of shares of common stock of the Company to be issued or disposed of in this way shall not exceed 160,000 shares per annum (notwithstanding, if the total number of shares of common stock of the Company to be issued or disposed of based on the Scheme requires adjustment because of a share split of common stock of the Company (including gratis allotment of the shares of common stock of the Company), a reverse share split or any other reasons on or after the date of approval of this Proposal, the total number shall be adjusted to a reasonable extent; hereinafter the same).

Payment of monetary claims to the Eligible Directors and issuance or disposal of the Company’s common stock will be made after the performance evaluation period ends, at the time of introduction of the Scheme, It is uncertain whether or not to pay the monetary claims to Eligible Directors, whether to issue or dispose of the Company’s common stock and amount of monetary claims to be paid and number of common shares.

(1) Method for calculating the amount of monetary claims

The Company shall calculate the number of shares of common stock of the Company to be delivered to each Eligible Director based on formula 1) below, and the amount of monetary claims based on formula 2) below.

- 1) Number of shares of common stock of the Company to be issued or disposed of to each Eligible Director^{*1}
Base number of shares^{*2} x Performance evaluation coefficient^{*3}
- 2) Amount of monetary claims to be paid to each Eligible Director
Number of shares of common stock of the Company to be issued or disposed of to each Eligible Director x Share price at time of delivery^{*4}

*1 Fractions of less than one share unit resulting from the calculation shall be rounded down. Notwithstanding, if there is the possibility that the monetary claims to be paid to each Eligible Director calculated by way of formulae 1) and 2) could exceed the upper limit on the amount of monetary claims to be granted under the Scheme, the number of shares to be issued or disposed of to

each Eligible Director shall be reduced proportionally or through other rational method, within a scope that will not exceed the said upper limit.

- *2 Determined in advance by the Company's Board of Directors.
- *3 Determined in advance by the Company's Board of Directors by multiplying 1) a value or ratio within the range predetermined by the Board of Directors of the Company according to the achievement of corporate value indicators and financial indicators during the Performance Evaluation Period by 2) a value within the range or ratio predetermined by the Board of Directors of the Company according to the achievement of sustainability indicators during the Performance Evaluation Period.
- *4 Determined by the Company's Board of Directors, within a scope in which the amount is not particularly advantageous to the Eligible Directors who subscribe for shares of common stock of the Company, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Board of Directors pertaining to the issuance or disposal of shares of common stock of the Company after the end of the Performance Evaluation Period.

(2) Conditions for payments to the Eligible Directors

In principle, the Company shall issue or dispose of the number of shares of common stock of the Company calculated based on (1) above to the Eligible Directors after the end of the Performance Evaluation Period if the Eligible Directors fulfill the following requirements.

- 1) Eligible Directors have continuously remained in the position of either director or other positions of the Company determined by the Company's Board of Directors throughout the Performance Evaluation Period.
- 2) Eligible Directors have not engaged in violations of laws and regulations or any other misconduct as defined by the Company's Board of Directors.
- 3) Other requirements deemed necessary by the Company's Board of Directors to achieve the purpose of the performance-linked stock-based remuneration scheme.

If, during the Performance Evaluation Period, a director is newly appointed, changes occur in the rank of a director, or an Eligible Director resigns or retires for a justifiable reason, a number of shares of common stock of the Company as reasonably adjusted in accordance with the level of performance achievement, term of office of such director and other factors shall be issued or disposed of by resolution of the Company's Board of Directors.

If an Eligible Director dies during the Performance Evaluation Period or by the first Annual General Meeting of Shareholders after the Performance Evaluation Period and thereby resigns or retires from the above-mentioned position, money shall be paid in lieu of shares of common stock of the Company. The amount of money to be paid to such directors shall be the amount reasonably determined by the Company's Board of Directors within the scope of the total amount relating to the monetary claims above in accordance with the level of performance achievement, term of office of such director, and other factors.

In addition to the above, a so-called clawback clause is planned to be established with the obligation to return to the Company the shares of common stock of the Company that have been issued or disposed of (or the amount of money equivalent to the value of such shares), even when the Performance Evaluation Period has already ended and the shares of common stock of the Company have been issued or disposed of, in the event that it is judged by the Company's Board of Directors that there was a material downward revision in the financial statements or a serious illegal act by the eligible persons, and also when there are any other circumstances specified by the Company's Board of Directors, in relation to the Performance Evaluation Period.

(3) Treatment in the event of organizational restructuring, etc.

If, during the Performance Evaluation Period or by the first Annual General Meeting of Shareholders after the Performance Evaluation Period, matters concerning a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matters concerning organizational restructuring, etc. is approved at a

General Meeting of Shareholders of the Company (or the Company's Board of Directors in cases where approval at General Meeting of Shareholders is not required for such organizational restructuring, etc.), (provided that the effective date of such organizational restructuring, etc. is scheduled prior to the day of issuance or disposal of the shares of common stock of the Company based on the Scheme,) the Company shall pay an amount of money reasonably determined by the Company's Board of Directors within the scope of the total amount relating to the monetary claims above, in lieu of shares of common stock of the Company, in proportion to the period from the beginning of the Performance Evaluation Period to the date of approval of such organizational restructuring, etc.

II. Revision of the amount of remuneration for directors

Currently, It was approved that the total amount of remuneration for the Company's directors (excluding directors serving as Audit & Supervisory Committee members) shall be set within 840 million yen per annum (including 72 million yen or less per annum for outside directors)

As part of the ongoing revision of the remuneration system for directors and executive officers, On condition that the proposal regarding compensation for outside directors is approved as originally proposed, the Company decided to increase the portion of remuneration for outside directors to "840 million yen per annum (including 100 million yen or less per annum for outside directors)" in consideration of the increase in the roles of outside directors who are expected to be key in enhancing corporate governance, the level of remuneration of other major companies in Japan, recent economic conditions and various other circumstances, for the purpose of offering an effective level of remuneration to secure outside director talent. There are no changes to the remuneration for granting restricted stock to directors other than outside directors (excluding directors serving as Audit & Supervisory Committee members). The remuneration that the Company is requesting approval for in Proposal 6 "Establishment of Remuneration, etc. Related to Performance-linked Stock-based Remuneration for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members and Outside Directors)" is to be established separately from the remuneration above.

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