[Unofficial Translation]

May 22, 2020
Seiji Inagaki
Representative Director, President
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE First section)

Supplementary Explanation concerning Proposal 3 of the 10th Annual General Meeting of Shareholders

With regard to the Annual General Meeting of Shareholders of Dai-ichi Life Holdings, Inc. (hereinafter “the Company”) to be held on June 22, 2020, Institutional Shareholder Services Inc. (hereinafter “ISS") has made a counter-recommendation against Mr. Koichi Masuda, who is a candidate for Proposal 3: "Election of Five (5) Directors Serving as Audit & Supervisory Committee Members", on the grounds that there is a problem with independence.

The Company believes that Mr. Masuda is sufficiently independent of the Company and qualified to be candidate for an outside director serving as an Audit and Supervisory Committee member of the Company. The reasons for the nomination of the candidate for a Board member and his independence are stated on pages 27 and 28 of the "Convocation Notice of the Annual General Meeting of Shareholders for the 10th Fiscal Year", however, we would like to explain the supplement as follows.

We would appreciate our shareholders and investors’ attention to the contents of this document for better understanding of the proposal.

1. The Company’s thoughts on the counter-recommendation by ISS

ISS has recommended against the appointment of Mr. Masuda, noting that he lacks independence solely because he previously belonged to KPMG AZSA LLC (hereinafter “KPMG-AZSA”), the Company’s current independent auditor.

Although it has been more than 12 years since Mr. Masuda retired from KPMG-AZSA, the counter-recommendation by ISS does not properly take into account the idea of a "cooling-off period", which is the extinguishment of an interest due to the passage of a certain period of time after retirement, we envisage.

The Corporate Governance Code states that "at least one person with sufficient knowledge of finance and accounting should be appointed as a corporate auditor[1]",

[1] In a company with an audit & supervisory committee, "corporate auditors" refers to directors who are members of the audit & advisory committee, and "board of corporate auditors" refers to the audit & advisory committee.

while only a few major audit firms are capable of handling global accounting audits. Therefore such blanket denial of the independence of a person from a company's current auditing firm without considering a passage of certain period of time after retirement and his/her activities during that period could hinder effectiveness of the Board of Corporate Auditors[2] and the use of independent outside directors who have extensive knowledge and experience as certified public accountants, which is not reasonable in our view.

2. Reasons why the Company has nominated him as a candidate for an outside director who is an Audit & Supervisory Committee member

After serving as representative partner of a major auditing firm, Mr. Masuda, as Chairman of the Japanese Institute of Certified Public Accountants, has been committed to enhancing and strengthening the auditing of certified public accountants. Thus, he has a wealth of experience as a certified public accountant, a high degree of professional knowledge, and a wealth of experience as an outside director (audit & supervisory committee member) and outside corporate auditor of other companies. At meetings of the Board of Directors and Audit & Supervisory Committee of the Company, he has provided with many constructive opinions from objective perspectives mainly on financial matters, such as accounting and auditing policies, audits of overseas subsidiaries, KAM (Key Audit Matters), reinsurance transactions, and regulatory aspects of accounting, which contribute significantly to the improvement of the Company's corporate governance, since he has become an outside director of the Company for more than 3 and half years. We therefore have nominated him as a candidate for an outside director who is an Audit and Supervisory Committee member, ensuring that he will continue to make use of his experience in the supervision and auditing of the management of the Company's group.

3. The Company's views on independence

Mr. Masuda was an executive of KPMG-AZSA, which is the Company's current auditing firm, until June 2007, however more than 12 years have passed since his retirement from the firm.

In addition, he meets the independence requirements of the Tokyo Stock Exchange as well as the Company's own independence standards for outside directors.

For these reasons, the Company believes that the independence of Mr. Masuda is sufficiently secured.

The Company has filed with the Tokyo Stock Exchange to appoint him as an independent director with no risk of conflict of interest with general shareholders as

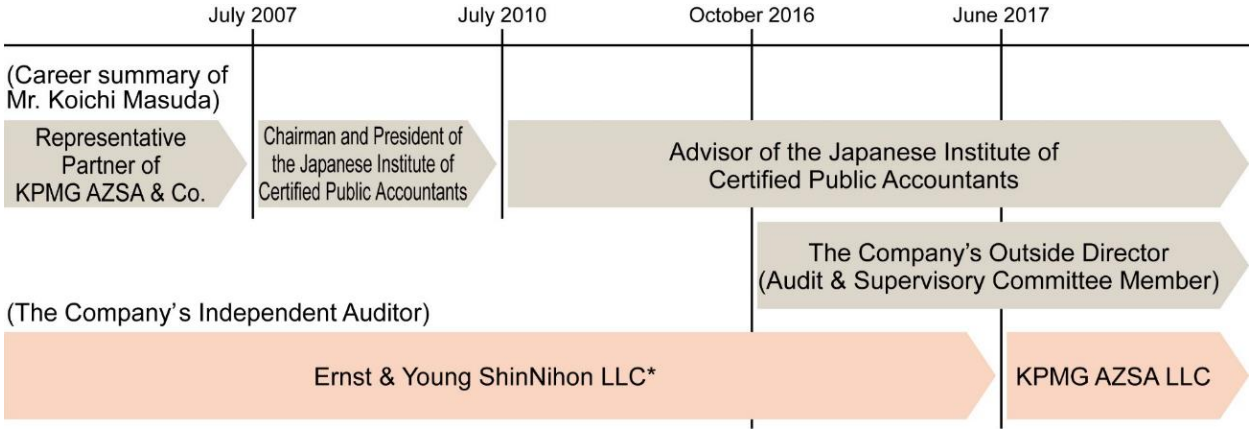
[2] In a company with an audit & supervisory committee, "corporate auditors" refers to directors who are members of the audit & advisory committee, and "board of corporate auditors" refers to the audit & advisory committee.

defined by the stock exchange.

<Supplemental information on the independence of Mr. Masuda>

KPMG-AZSA did not become the independent auditor of the Company until June 2017, and KPMG-AZSA did not engage in the accounting audit of the Company during the period he was affiliated with the accounting firm.

Mr. Masuda has declared his intention not to participate in, and has abstained from, any resolutions pertaining to the election of the accounting firm as the independent auditor of the Company.



* The name Ernst & Young ShinNihon LLC is as of June, 2017.