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

- **M&G and Dai-ichi Life HD establish an ambitious long-term strategic partnership**
- **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 HD intends to acquire a c.15% shareholding in M&G plc**

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.

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 M&G and Dai-ichi Life HD.

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.

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.

### **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**

M&G and Dai-ichi Life HD 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, M&G and Dai-ichi Life HD 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<sup>(1)</sup>.

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.”

**M&G trading update**

Against the backdrop of a volatile market environment, M&G has continued to execute the strategy it laid out at its recent Full Year 2024 Results. The performance year to date has been broadly in line with expectations.

**Notes to Editors:**

1. BofA Securities acted as lead financial adviser and corporate broker to M&G and Goldman Sachs acted as financial adviser and corporate broker. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. acted as financial adviser to Dai-ichi Life HD. Freshfields LLP acted as legal counsel to M&G and Linklaters LLP acted as legal counsel to Dai-ichi Life HD.

**2. Analyst presentation and conference call details**

M&G will host a webcast for analysts and investors at 8:30am (BST) today. To join the webcast, please use the following details:

<https://sparklive.lseg.com/MG/events/cdd0957a-5892-4bc1-89df-29c95d2b2593/ceo-market-update>



(1) Following M&G becoming an equity-method affiliate of Dai-ichi Life HD, quarterly earnings of M&G will be included in Dai-ichi Life HD's consolidated results.

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## **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. For more information, please visit <https://www.dai-ichi-life-hd.com/en/index.html>

## **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.

## **Important Notice – Inside Information**

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019). Upon publication of this announcement, this inside information will be considered to be in the public domain. The person responsible for making the notification on behalf of M&G plc is Charlotte Heiss, General Counsel and Company Secretary.

*Merrill Lynch International ("BofA Securities"), a subsidiary of Bank of America Corporation, which is authorised by the Prudential Regulation Authority (the "PRA") and regulated by the Financial Conduct Authority (the "FCA") and the PRA in the United Kingdom, is acting exclusively for M&G in connection with the matters referred to in this announcement and for no one else and will not be responsible to anyone other than M&G for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein or otherwise.*

## **Forward Looking Statements**

This announcement may contain certain "forward-looking statements" with respect to M&G plc (M&G) and its affiliates (the Group). These statements are based on the current expectations of the management of M&G and are naturally subject to uncertainty and changes in circumstances.

Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. Although M&G believes that the expectations reflected in such forward-looking statements are reasonable, M&G can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements. These factors may include, but are not limited to: changes in domestic and global political, economic and business conditions; market-related conditions and risk, including fluctuations in interest rates and exchange rates, the potential for a sustained low-interest rate environment, corporate liquidity risk and the future trading value of the shares of M&G; investment portfolio-related risks, such as the performance of financial markets generally; legal, regulatory and policy developments; the impact of competition, economic uncertainty, inflation and deflation; the effect on M&G's business and results from, in particular, mortality and morbidity trends, longevity assumptions, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of internal projects and other strategic actions, such as transformation programmes, failing to meet their objectives; and the impact of legal and regulatory actions, investigations and disputes.

Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Neither M&G nor any of its affiliated companies undertakes any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.