

Market Release

07 April 2025

TAL Dai-ichi Life acquires minority investment in Challenger Limited

Challenger Limited (ASX:CGF) refers to a news release issued today by Dai-ichi Life Holdings, Inc. (Dai-ichi Life) that its Australian subsidiary, TAL Dai-ichi Life Australia Pty Limited (TAL), has agreed to acquire a 15.1% minority interest in Challenger from MS&AD Insurance Group Holdings, Inc. (MS&AD) at a price of ¥763 per share (approximately A\$8.46 per share¹).

The purchase price represents a premium of 53% to Challenger's closing share price on 4 April 2025. The share sale is subject to customary regulatory approvals including from the Australian Foreign Investment Review Board (FIRB) and the Australian Prudential Regulation Authority (APRA).

Challenger's Managing Director and Chief Executive Officer, Nick Hamilton said: "Dai-ichi Life is a global leader in life insurance and we look forward to building a relationship that will benefit both our customers and shareholders. We welcome their significant investment in our business and will explore future opportunities that support our strategic objectives.

"The strategic reinsurance relationship in place with MS Primary since 2016 has created significant shared value and we are pleased this will continue.

This is an exciting time for Challenger as we deliver our growth strategy and provide financial confidence to even more Australians in retirement."

Last year, Challenger and Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary), a subsidiary of MS&AD, renewed their reinsurance partnership for a further five years and that arrangement continues to deliver well above the minimum volume² levels. Challenger and MS Primary have successfully collaborated over the last decade and this partnership will not be impacted by the share sale.

Following the completion of the sale of MS&AD's equity holding in Challenger, Mr Masahiko Kobayashi will accordingly step down as MS&AD's representative on the Challenger Limited Board.

Copies of the Dai-ichi Life and TAL news releases are attached.

¹ The share sale has been set in Yen, with A\$8.46 per share based on the AUD:JPY exchange rate disclosed by the Reserve Bank of Australia as at 4 April 2025.

² Minimum volume of ¥50 billion (~A\$500m) per year, with A\$616m achieved in the first half of FY25.

About TAL

TAL is one of Australia's leading life insurance specialists. For over 150 years, TAL has been protecting people, not things. Together with its partners, TAL insures more than 5 million customers and offers life insurance through the following channels: direct to consumer; through a financial adviser; and via group and workplace superannuation schemes. TAL is part of the Dai-ichi Life Group, one of the world's largest insurance groups.

About Dai-ichi Life

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

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This release has been authorised by Challenger's Continuous Disclosure Committee.

About Challenger

Challenger Limited (Challenger) is an investment management firm focused on providing customers with financial security for a better retirement.

Challenger operates a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

For more information contact:

Mark Chen

General Manager Investor Relations
Mob +61 423 823 209
machen@challenger.com.au

Felicity Goodwin

Head of Public Affairs
Mob +61 461 579 782
fgoodwin@challenger.com.au

Irene Xu

Investor Relations Manager
Mob +61 451 822 326
ixu@challenger.com.au

Rhiannon Hornsey

Chief of Staff
Mob +61 428 404 345
rhornsey@challenger.com.au



[Unofficial Translation]

April 7th, 2025

TAL to acquire minority investment in Challenger

TAL, a subsidiary of Dai-ichi Life Holdings, Inc. (the “Company”; Representative Director, President, Group CEO: Tetsuya Kikuta) in Australia, announced it has agreed to acquire a shareholding of 15.1% of issued shares (104,353,125 shares) in Challenger (ASX: CGF) (CEO and Managing Director, Nick Hamilton), a finance group with businesses including annuities and fund management, for ¥80 billion from MS&AD Insurance Group Holdings, Inc. (President & CEO: Shinichiro Funabiki). The transaction is subject to TAL obtaining regulatory approvals and will only complete upon the regulatory approvals being obtained. After completion we will seek to equity account our holding in Challenger.

TAL recognizes the evolving needs of Australia’s retirement market, and the minority investment in Challenger reflects TAL’s long-term commitment to the retirement income solutions sector, where we expect to benefit from the anticipated market growth.

< Overview of Challenger >

Company name	Challenger Limited
Representative	CEO and Managing Director, Nick Hamilton
Location	Sydney, New South Wales, Australia
# of employees	566 Total Full Time Equivalents (FTEs)) ¹
Year of Establishment	1985
Description of Business	Annuities and investment management business
Assets Under Management	AUD 131.44 billion ¹
Contributed equity	AUD 2,547 million ¹
Rating (at 18 December 2024)	S&P: Challenger Limited — ‘BBB+’ rating with a stable outlook Challenger Life Company — ‘A’ rating with a stable outlook.
Listed on	ASX

¹ Figures from Challenger Half Year 2025 report as of 31 December 2024.

MEDIA RELEASE
7 APRIL 2025

TAL to acquire minority investment in Challenger

A leading Australian life insurer, [TAL](#), today announced it has agreed to acquire a total relevant interest of 15.1% in Challenger Limited (ASX:CGF), pending regulatory approvals.

TAL recognises the evolving needs of Australia's ageing population and a shareholding in Challenger adds to TAL's long-term commitment to the growing retirement sector.

TAL's CEO, Fiona Macgregor, said: "There is an important community need to address with five million Australians currently in or preparing for retirement. Our minority investment in Challenger is an extension of our commitment to supporting Australians' financial needs during retirement."

ENDS

Jennifer Sexton

Head of External Communications, TAL

T: 0436 923 544

E: jennifer.sexton@tal.com.au

About TAL

TAL is one of Australia's leading life insurance specialists. For over 150 years, TAL has been protecting people, not things. Together with its partners, TAL insures more than 5 million customers and offers life insurance through the following channels: direct to consumer; through a financial adviser; and via group and workplace superannuation schemes. TAL is part of the Dai-ichi Life Group, one of the world's largest insurance groups.