Responsible Investment Report 2025

NISSAY

Nippon Life Insurance Company

Outline of Nippon Life Insurance Company (figures as of March 31, 2025)

Name	Nippon Life Insurance Company
Locations	Osaka Head Office: 3-5-12 Imabashi, Chuo-ku, Osaka 541-8501 Japan Tokyo Headquarters: 1-6-6 Marunouchi, Chiyoda-ku, Tokyo 100-8288 Japan
President	Satoshi Asahi
Established	July 4, 1889
Offices	Branches .... 108 Sales offices .... 1,440 Global representative offices .... 3 Agencies* 19,125
Subsidiaries and Affiliates	Insurance and insurance-related businesses .... 20 Asset management-related businesses .... 69 General affairs-related businesses 20

* Includes banks and other financial institution-related agencies.

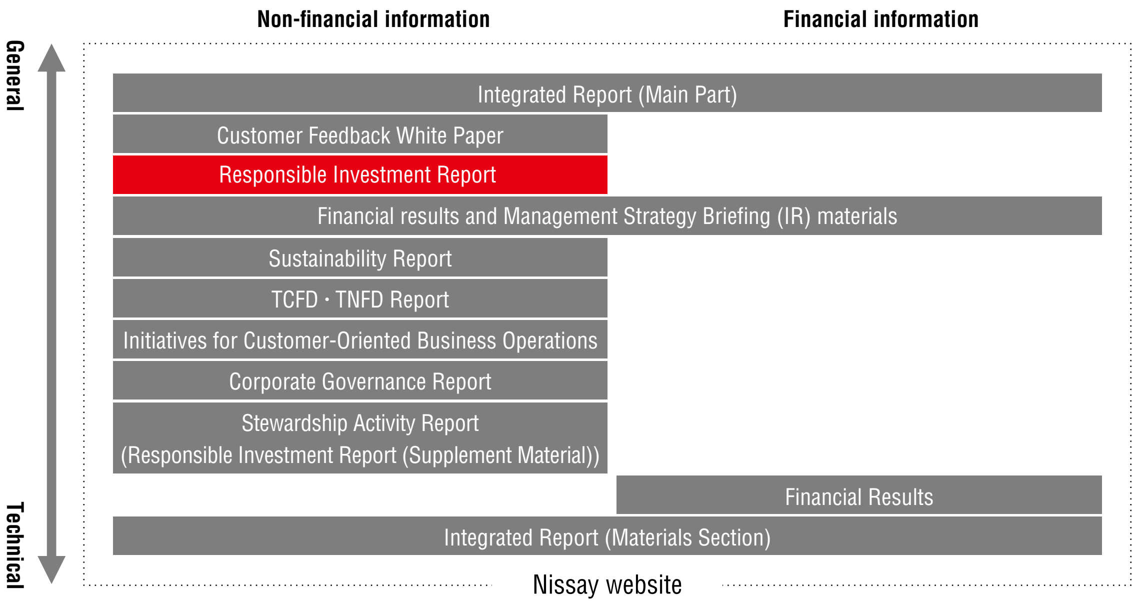
Head Office

Positioning of Responsible Investment Report

The Responsible Investment Report is published to explain our approach to and initiatives in responsible investment, which form part of our sustainability efforts. Details on responsible investment, case examples, and other sustainability initiatives are available on our website.

Responsible Investment
https://www.nissay.co.jp/global/sustainability/esg/

Sustainability
https://www.nissay.co.jp/global/sustainability/



To see a list of Nippon Life's main sources of disclosure, please access the following:
https://www.nissay.co.jp/global/report.html

CONTENTS

Toward a "Society in Which Everyone Can Live Their Lives with Peace of Mind" Fulfilling Our Responsibilities as an Insurance Company and Institutional Investor

Satoshi Asahi
President

Addressing local and global challenges for our customers' future

The Nippon Life Group aims to realize "a society in which everyone can live with peace of mind" by advancing sustainability management. This aspiration reflects the core spirit of the life insurance business and our management philosophy of "co-existence, co-prosperity, and mutual aid," expressing our commitment to contributing to the happiness of society and its people. As a life insurance company, we provide security through life insurance solutions, while also working to solve issues in local communities to enrich society. In addition, as a responsible institutional investor, we address global social challenges by carefully managing the insurance premiums entrusted to us by our customers.

The environment and human society—foundations for people's lives and corporate economic activity—face numerous challenges. If left unaddressed, these challenges will hinder the realization of a society in which people can live with peace of mind. Therefore, as an institutional investor, we support initiatives that contribute to solving social issues through investment and dialogue. Furthermore, it is also important for addressing social challenges to shape the flow of capital within the financial sector, including our own, by clearly presenting our strategic direction and expanding partnerships with like-minded organizations.

Thinking about sustainability through an integrated nexus approach

When considering sustainability, it is important to adopt the Nexus Approach, which views social issues not as isolated problems but as interconnected elements that should be addressed holistically. For example, recent research has explored the concept of planetary health, which considers the environment and human society in an integrated way, recognizing that issues such as climate change and the degradation of natural capital affect human health and lead to broader issues such as food insecurity and conflict. This concept is closely aligned with the Nexus Approach, and by drawing on such research, we aim to take a more integrated view of sustainability.

As a leading institutional investor in Japan, we remain committed to sustainability efforts

The global environment surrounding people is constantly evolving. While efforts toward sustainability often appear to be progressing rapidly, momentum can sometimes stall. Yet the fact remains: since the Industrial Revolution, global temperatures have risen, extreme weather events have become more frequent, and natural disasters more severe—posing a threat to the future of human life. In this context, we recognize our responsibility, as an insurance company protecting our customers' futures, to contribute to the realization of a sustainable society. Especially in these uncertain times, we believe it is essential to continue our efforts as one of Japan's leading institutional investors. We will continue to make steady and unwavering progress to help create a future filled with safety and hope for our customers.

Prologue | Nippon Life's Commitment to Responsible Investment

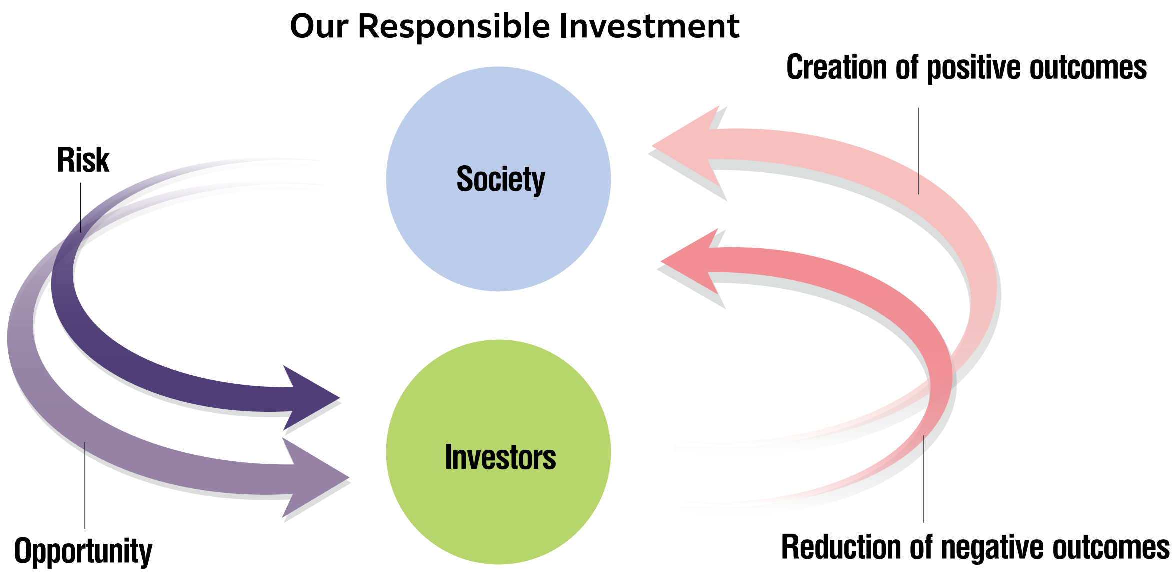
The incorporation of environmental, social, and governance (ESG) factors into the investment decision-making process by institutional investors has become widespread in the global financial and capital markets. However, looking at the international society as a whole, there is still a long way to go before global goals such as the Sustainable Development Goals (SDGs) and the Paris Agreement are achieved. Against a backdrop of growing awareness and urgency regarding many sustainability issues, including climate change, income inequality, and human rights, beneficiaries, clients (policyholders), governments, and other stakeholders are increasingly placing higher expectations on institutional investors.

Now, we need to reconsider the meaning of the word "responsible" in "responsible investment." A typical approach of ESG incorporation is to reduce investments in companies with low ESG ratings and increase investments in those with high ESG ratings. Negative screening, such as divesting from the fossil fuel industry, is another example of ESG incorporation. Since companies with high greenhouse gas (GHGs) emissions risk being shunned by consumers and business partners in the future, or having their corporate value eroded by stricter government emissions regulations, it makes sense to reduce investments in such companies.

However, such a risk-management investment approach alone cannot sufficiently address system-level risks such as global warming. As investors, and as a "future maker" who makes society sustainable, we need to be more proactive in engaging with companies.

For example, to address system-level risks of global warming, we need to encourage high-emitting companies to develop GHG emissions reduction plans (transition plans) and help them decarbonize by establishing practical guidelines for transition finance in line with the Paris Agreement. In doing so, it is important to visualize the impacts investee companies are having on the real world, to conduct milestone management toward their goals, and to clarify how investors will support investees in achieving their goals. The indicators that quantify and visualize the impacts on the real world (i.e., various stakeholders) are called "sustainability outcomes."

There is a continuous feedback cycle between ESG-related risks and opportunities and sustainability outcomes (see diagram below): ESG issues create risks and opportunities for investors, whose actions contribute to shaping sustainability outcomes on the real world, which feed back into portfolios in the form of ESG risks and opportunities. This holistic investment approach improves not only the performance of investors' portfolios but also the robustness and resilience of the environmental, social, and financial systems that underpin the business foundations of all companies. This is the kind of responsible investment we strive for as a "future maker." In order to fulfill our "responsibility to policyholders" of maximizing financial returns to them, we will simultaneously fulfill our "responsibility to society" of addressing sustainability issues through responsible investment and financing.



Please refer to pages 49 and 50 for our responsible investment-related policies (Responsible Investment Guidelines).

Promoting Responsible Investment Based on "P²" — People × Planet

Takeshi Kimura

Special Adviser to the Board

The role of Nippon Life as an institutional investor

As one of Japan's largest life insurance companies, we serve a customer base equivalent to approximately 10% of the country's population. Many of our customers are not only employees of our investee companies, but also consumers of their products and services, as well as members of the communities where these businesses operate. In other words, our policyholders are themselves key stakeholders of our investee companies.

As an institutional investor, our goal is not solely to maximize investment returns. While we certainly strive to return as much value as possible to our policyholders through dividends, we also place great importance on enhancing their overall well-being. For us, that's what responsible investment truly means.

Building a sustainable financial system

Our assets under management span a variety of asset classes, creating a portfolio that covers the entire market. Therefore, if system-level risks such as global warming and biodiversity loss, which threaten the business foundations of all companies, were to materialize—in other words, if the SDGs were not achieved—market returns would deteriorate on a global scale. In that case, no degree of diversification could shield us as investors from the impact of these risks.

While it is possible to earn excess returns (alpha) by investing in companies with innovative technologies through funds specialized in climate solutions, this alone is not sufficient to address system-level risks. If high GHG-emitting sectors are not decarbonized, their negative externalities will undermine the business foundation of many companies, and overall market returns (beta) will be greatly reduced.

Therefore, making the entire financial system sustainable is essential for institutional investors to improve the long-term investment performance of their overall portfolio. This is why "systems thinking" is required of responsible investors.

P² Investment — People × Planet

To build a sustainable financial system, it is essential to consider the interconnectedness of sustainability issues, addressing not only environmental ("E") challenges but also social ("S") ones. To illustrate this, we introduce the concept of "P² (P-squared) investment," which represents the multiplication of People × Planet. This concept is based on a simple premise: if either "People" or "Planet" is valued at zero, the overall outcome also becomes zero. Traditional ESG investing tends to treat E, S, and G as separate elements. In contrast, P² Investment begins with the premise that unless environmental and social aspects are considered in an integrated manner, the entire system is exposed to risk. It emphasizes the inseparable and mutually reinforcing relationship between the two.

Ultimately, the P² approach reframes the investment process itself. I believe this reframing is exactly what responsible investors need next.

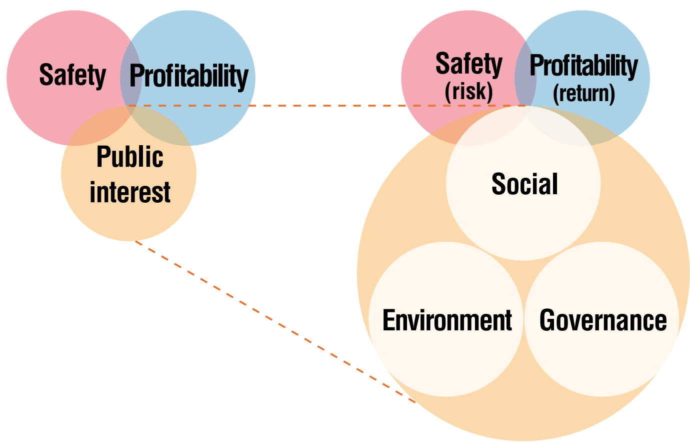
Overview of Responsible Investment Initiatives

What is Responsible Investment?

Our company not only fulfills its economic responsibilities to customers—such as paying insurance payouts and benefits and policyholder dividends—but also actively takes responsibility for contributing to the resolution of social issues. Based on this philosophy, we refer to our investments as an institutional investor as "responsible investment."

Specifically, we take into account environmental (E), social (S), and governance (G) factors when making investment decisions, and support the efforts of investee companies through both financing and dialogue. Through these responsible investment activities, we aim to utilize the funds entrusted to us by our policyholders to help address social issues and contribute to the realization of a sustainable society. (For details, please refer to the following pages on specific initiatives.)

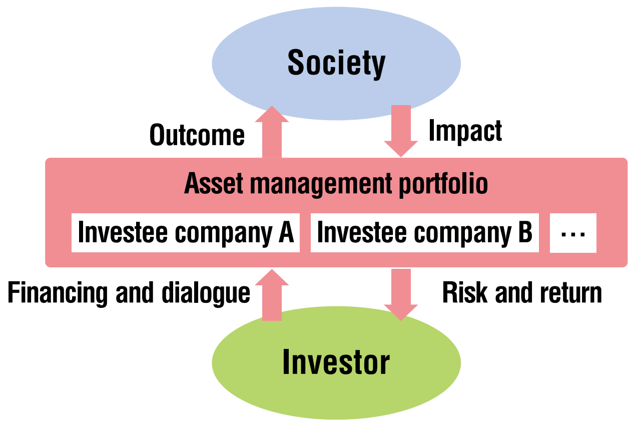
Since its founding, Nippon Life has placed the highest priority on serving the interests of its policyholders, guided by the philosophy of "co-existence, co-prosperity, and mutual aid," which are fundamental to the life insurance business. With this in mind, we have made efforts to conduct sound management from a long-term perspective, focusing on both safety and profitability. In the field of asset management, we have carried out investments that contribute to the public interest. Our approach to responsible investment is fundamentally aligned with these long-standing values.



The Significance of Our Commitment to Responsible Investment

At our company, responsible investment goes beyond the pursuit of financial returns. We place great importance on engaging with companies to generate sustainability outcomes—positive changes for society and the environment that lead to real-world impact—toward the realization of "a society in which everyone can live their lives with peace of mind."

Providing financing and engaging in dialogue with investee companies to create tangible sustainability outcomes in the real world contributes to the stability and improvement of the social and environmental foundations on which these businesses operate. This, in turn, positively impacts the risk-return profiles across many investee companies and helps enhance overall investment performance in the financial markets. Over the long term, we believe this will generate positive feedback for investors' overall portfolios.



Considering ESG and sustainability is not only about improving the risk-return efficiency of individual investee companies; it also represents an approach to making the systems that underpin human society and the global environment sustainable. This approach, known as "system-level thinking," is a critical concept for our company as a universal owner managing a broadly diversified portfolio, as it is key to enhancing long-term returns across the entire portfolio. In recent years, this perspective has been increasingly embraced by institutional investors.

Responsible Investment Initiatives

Our aim is to increase corporate value through the creation of outcomes by supporting the ESG initiatives of investee companies through the well-balanced promotion and advancement of responsible investment, centered on investment and dialogue and utilizing a variety of approaches.

Investment

Integration

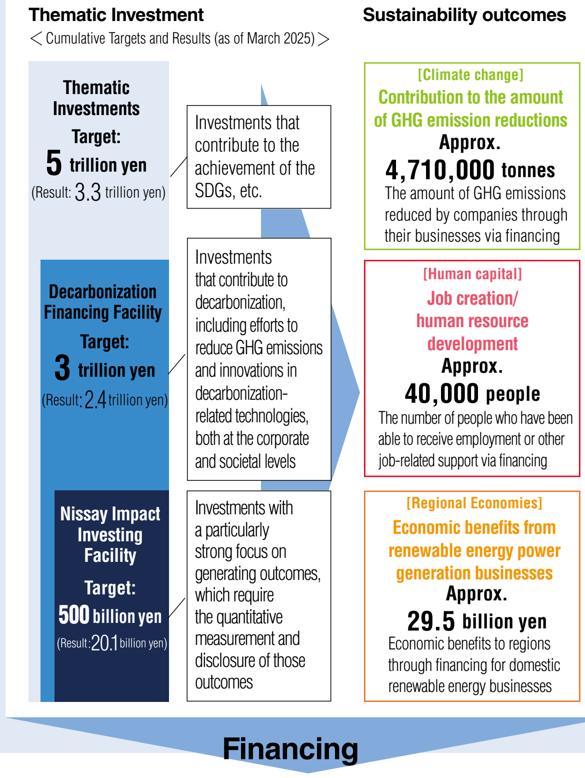
- Assign ESG ratings to all asset classes and introduce rules for allocation

Negative screening

- Applies to nuclear weapons, palm oil, etc.

Thematic Investment

- Setting targets for Thematic Investment, Decarbonization Financing Facility, and Nissay Impact Investing Facility
- Measure and disclose sustainability outcomes



Dialogue

Engagement

- Dialogues with companies, including the largest greenhouse gas emitters
- Milestone management for dialogues with the themes of environment (E) and society (S)
- Collaborative engagement

*Regarding domestic listed equities, we are exercising voting rights as part of stewardship activities

Dialogues with investee companies

Dialogue Results of Previous Period

Total companies engaged	Total number of dialogues
652	1,058

Breakdown of Dialogue Topics*

Environmental, Social

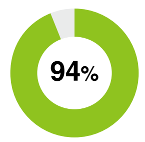
Related to Environmental (E) and Social (S) topics

Companies engaged **509** Total number of dialogues **632**

Among them, dialogue focused on climate change

- Companies with high Scope 1 + 2 emissions **78**
- Companies with high Scope 3 emissions **49**

(These represent 80% of the GHG emissions from domestic listed equities and corporate bonds)



Disclosure status of reduction roadmaps toward net zero by 2050 for top emitters of scope 1 and 2 greenhouse gas emissions

Total: 78 companies
- Disclosed: 74 companies
- Not disclosed: 4 companies

Encouraging behavioral change

Support the ESG initiatives of investee companies

Increase in corporate value by shaping outcomes

Contribute to expanding policyholder' s benefits through the realization of a sustainable society

Key Sustainability Themes of the Investment Management Unit

Based on the three priority areas defined under the Nippon Life Group's sustainability management—"People," "Community," and "Environment"—we have established six key sustainability themes for our Investment Management Unit: "Respect for Human Rights," "Human Capital," "Regional Economies," "Global Health (Public Health)," "Climate Change," and "Natural Capital."

Our Vision

Sustainability Management at Nippon Life Group

Guided by the spirit of “coexistence, co-prosperity, and mutual aid” inherent in the life insurance business, we have practiced sustainability management since our founding, based on our Fundamental Management Principles of Nippon Life of contributing to the stability and enhancement of people's lives. In our current Mid-Term Management Plan, we continue to position sustainability management as the foundation of our business operations and have identified three priority areas: “People,” “Community,” and “Environment.” Through initiatives in these three areas, we aim to address social issues and enhance corporate value, thereby contributing to the realization of “a society in which everyone can live their lives with peace of mind.”

Strive to help solve social issues in the three areas of People, Community, and Environment

People Community Environment

Measuring the level of contribution to society that we aim to achieve (outcome targets)

We have established outcome targets in the fields of “People,” “Community,” and “Environment” in order to measure the level of contribution to society that we aim to achieve as a Group. In the asset management field, we have set “GHG emissions” and “contribution to the amount of GHG emission reductions” of our asset management portfolio as outcome targets. Regarding “GHG emissions,” we have newly established interim targets for fiscal years 2035 and 2040, and we are steadily working toward achieving net zero emissions by fiscal year 2050. The outcome targets are closely linked to the KPIs generated through various initiatives and business activities. To achieve these targets, it is essential that each officer and employee of our Group takes ownership of the outcome targets and actively engages in related initiatives. Furthermore, we believe it is important to continuously refine our efforts by communicating externally and incorporating feedback from a wide range of stakeholders.

Value We Provide to Society

People / Community

Target	2035 target
Number of customers (Domestic Group)	17 million
Number of corporate customers (Domestic Group)	370,000 companies
Customer satisfaction (Nippon Life standalone basis)	90% or more
Assets under management (Group)	140 trillion yen
Nissay version of healthy life expectancy (Nippon Life standalone basis)	Extend by 2 years from 2023

Environment

Target	2030 target	New outcome targets: 2035 target	New outcome targets: 2040 target	2050 target
CO_2 emissions (Group / Business activities)	Decrease of 51% or more from 2013	Decrease of 60% or more from 2013	Decrease of 73% or more from 2013	Net zero
Scope 1 and 2 (Nippon Life standalone basis / Nippon Life's self-managed share)	Net zero	(Net zero)	(Net zero)	Net zero
Renewable energy ratio (Nippon Life standalone basis / Nippon Life's contracted share)	100%	(100%)	(100%)	Net zero
Greenhouse gas emissions (Nippon Life standalone basis / Asset management)	Total emissions: Decrease of 45% or more from 2010 Intensity: Decrease of 49% or more from 2020	Decrease of 60% or more from 2013	Decrease of 73% or more from 2013	Net zero
Contribution to the amount of greenhouse gas emission reductions (Nippon Life standalone basis / Asset management)	15 million tonnes per year	-	-	-

Promoting initiatives toward creating the society that we aim to achieve

To further advance our sustainability initiatives toward the realization of “a society in which everyone can live their lives with peace of mind,” we launched the company-wide Nissay Sustainability Project, “Nissay-no-se!” in May 2024. By actively communicating our sustainability efforts through dedicated pages on our official website, commercials, and official social media channels, we aim to encourage each executive and employee to internalize sustainability as a personal commitment.

一緒に未来を育てよう。
にっせーのせ!
ニッセイサステナプロジェクト

Message

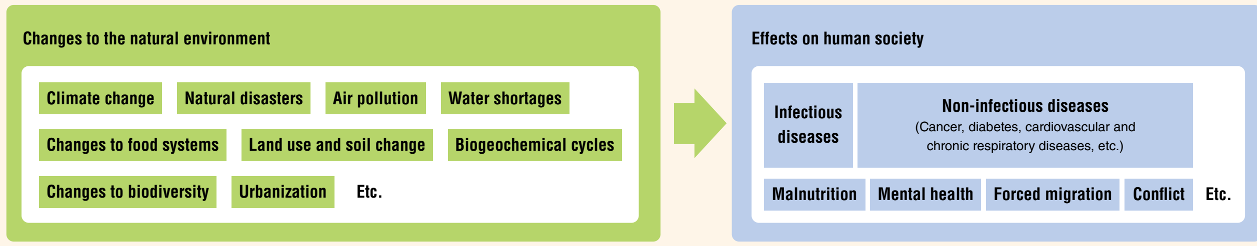
Shinichiro Kashima
Managing Executive Officer
Sustainability Management Dept.

We regard this fiscal year as a crucial period for accelerating the implementation phase of sustainability management, which we began last year. Since the launch of the Nissay Sustainability Project “Nissay-no-se! ” we have been working to address social issues in various regions through our core business, while encouraging all executives and employees to personally engage with sustainability. Nevertheless, we recognize that challenges remain in fully embedding our philosophy across the organization. To strengthen our outcome targets and further enhance both the quality of our initiatives and the depth of personal engagement, we have newly established interim targets for CO_2 and GHG emissions for fiscal years 2035 and 2040, as part of our efforts to achieve net zero by 2050. Additionally, as part of our efforts to achieve one of the Group's outcome targets—extending the “Nissay version of healthy life expectancy”—we have launched a joint research initiative with Nagasaki University on planetary health, a concept that comprehensively recognizes the mutual interconnection between the global environment and human health. Through these initiatives, our Group aims to holistically integrate the three priority areas of “People,” “Community,” and “Environment,” thereby promoting comprehensive sustainability enhancement and long-term value creation. By simultaneously enhancing corporate value and addressing social issues, we strive to meet the expectations of our policyholders, investors, and other stakeholders, and contribute to the realization of a society in which everyone can live their lives with peace of mind.

Column

Planetary Health

We think that the concept of planetary health will play an important role in promoting responsible investment from now on. Planetary health is the idea of striving for a sustainable society while considering the interconnectedness of global issues and social issues such as human health and conflict. The Earth is the foundation of our livelihoods, and changes to its environment could have various effects on our health. For example, if extreme weather patterns grow as a result of climate change, resulting in natural disasters like floods and droughts, there will be heightened risks of food shortages and polluted drinking water, which could result in the spread of infectious diseases, malnutrition, and more. Environmental changes could also destabilize living conditions, including poverty and inequality, which could lead to issues including forced migration and conflict. To achieve sustainable coexistence between the Earth and humanity, we must address both global and social issues.



Joint Research with Nagasaki University

On October 20, 2025, our company signed a partnership agreement with the National University Corporation Nagasaki University to collaborate on research in the field of planetary health.

Nagasaki University is a leading institution in planetary health research and has particular strengths in infectious disease studies. Through this collaboration, we will work together to explore the relationship between changes in the global environment—such as global warming—and human health, based on the principles of planetary health.

Our joint research will cover a range of topics, including infectious diseases, non-communicable diseases, and global ecology, while also considering the development of research in other related fields.

国立大学法人 長崎大学 NAGASAKI UNIVERSITY
日本生命 NISSAY

Governance System for Responsible Investment Initiatives

We have established the Sustainability Committee as an advisory body to the Management Committee. The Committee discusses matters such as the drafting of company-wide initiative policies (including those for Group companies), the status and enhancement of sustainability priority issues, and information disclosure and initiatives to facilitate understanding inside and outside the Company. It meets quarterly, with core members consisting of executive officers who are responsible for corporate planning and each business unit from the company, and executives from each domestic Group company responsible for sustainability. In addition, Sustainability Working Groups are held under the Committee to further promote sustainability management through broad-ranging discussions. One such group, the Responsible Investment Working Group, discusses topics such as global trends in initiatives, investment department efforts, and enhancement of our responsible investment initiatives.

We also seek to enhance our sustainability management by incorporating feedback and evaluations from a wide range of stakeholders. In addition to the Sustainability Advisory Meeting, we gather input from outside directors and policyholders and incorporate it to improve our sustainability initiatives.

Meeting of Representatives | **Conference of Representatives** | **Board of Councilors** | ***Nissay Konwakai Meeting***

In addition to receiving a variety of opinions, including those on the environment, at the Meeting of Representatives, which is our decision-making body as a mutual company, we hold the Conference of Representatives and Board of Councilors.

At the *Nissay Konwakai Meeting*, the regional version of the Meeting of Representatives, we explain our company's activities to policyholders across Japan and listen to their feedback and requests.

Column

External Communication (1): Lecture at a University

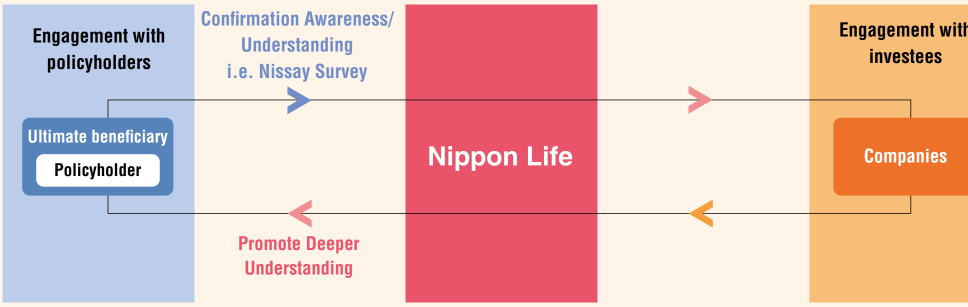
We were invited to deliver a lecture in English on "SMBC Group: Sustainable Finance" for Professor Inaba's course at Hitotsubashi University Business School, School of International Corporate Strategy, which brings together international students from many different countries. The lecture covered the latest global trends in social issues and our company's initiatives on responsible investment. During the group discussion, students engaged in interactive dialogue on the importance of "interconnectedness" and "integrated thinking" in a context where standards and frameworks for responsible investment vary, and also deepened their understanding of corporate transition assessment methods.

Column

Policyholder Survey

To fulfill our responsibilities as an institutional investor who manages insurance premiums entrusted by our policyholders (ultimate beneficiaries), we focus on engagement not only with investee companies but also with policyholders.

Nippon Life's Engagement



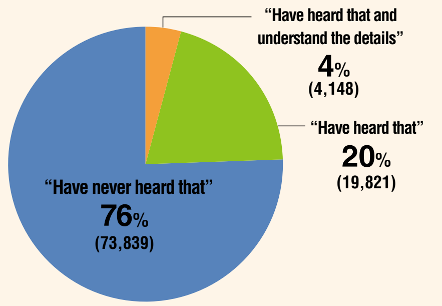
As part of this effort, we have been conducting surveys since FY2022 to understand our policyholders' perspectives and values regarding sustainability. Moving forward, we will continue to disseminate information about our approach to responsible investment as well as relevant efforts, contributing to the realization of a sustainable society.

Results of the Survey (FY2025)

* Detailed results are available in our press release published in September 2025.

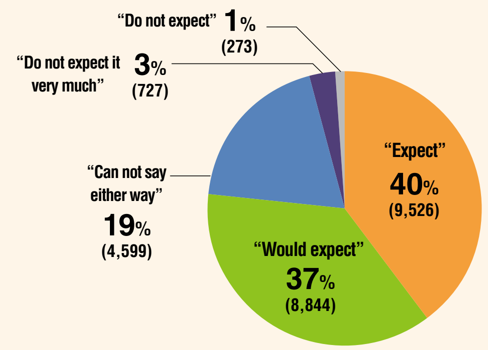
Q1 Nippon Life aims to solve social issues (e.g., mitigation of climate change) in terms of investment and financing. Did you know that Nippon Life is involved in such efforts?

(Respondents: 97,808)



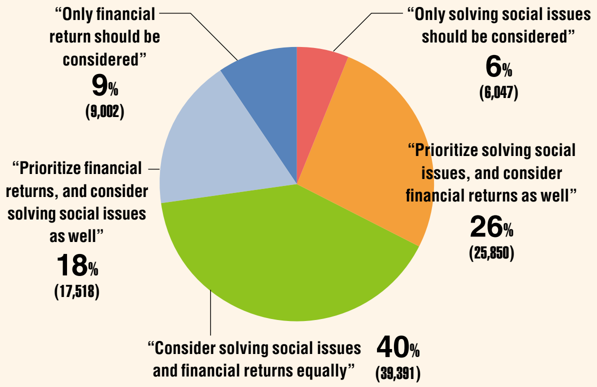
Q2 Do you expect Nippon Life to continue to implement these initiatives?

(Respondents: 23,969*)
* For those who answered "Have heard that and understand the details" or "Have heard that"



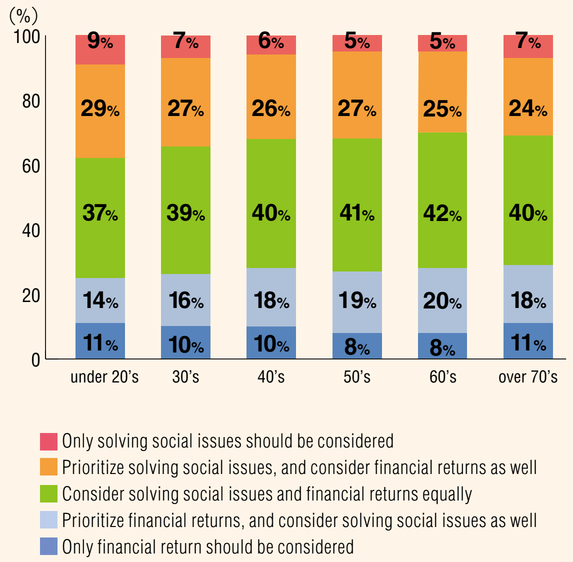
Q3 Nippon Life aims to solve social issues and to create a society in which our customers can live in peace through investment and financing. What do you think about the balance between solving social issues (e.g., mitigation of climate change) and financial returns in our investment activities?

(Respondents: 97,808)
*Due to rounding, totals may not equal 100%.



Q3 Response rates by age group for Q3

*Due to rounding, totals may not equal 100%.



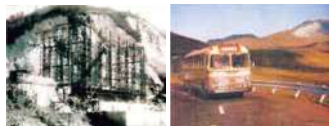
(%)	under 20's	30's	40's	50's	60's	over 70's
Only solving social issues should be considered	9%	7%	6%	5%	5%	7%
Prioritize solving social issues, and consider financial returns as well	29%	27%	26%	27%	25%	24%
Consider solving social issues and financial returns equally	37%	39%	40%	41%	42%	40%
Prioritize financial returns, and consider solving social issues as well	14%	16%	18%	19%	20%	18%
Only financial return should be considered	11%	10%	10%	8%	8%	11%

Our Vision

The History of Nippon Life's Responsible Investment

Since its founding, Nippon Life has based its life insurance operations on the philosophy of "co-existence, co-prosperity, and mutual aid." With this in mind, we have made efforts to conduct sound management from a long-term perspective while giving the highest priority to maximizing benefits for our policyholders. In the asset management field, we have carried out investments that contribute to the public interest.

Global trends	Year	Nippon Life's Activities
	1889	**Nippon Life founded** ● Nippon Life has carried out investments that contribute to the public interest, including investing in Japan's first corporate bonds of Osaka Railway.
● Principles for Responsible Investment (PRI) formulated	2006	
● Japan's Stewardship Code released	2014	● Accepted Japan's Stewardship Code
● Paris Agreement adopted ● SDGs adopted ● Japan's Corporate Governance Code released	2015	
● TCFD recommendations ● Japan's Stewardship Code revised	2017	● Formulated the ESG investment and finance policy (currently the Responsible Investment Guidelines) ● Set targets for Thematic Investment ● Signed Principles for Responsible Investment (PRI)
● Japan's Corporate Governance Code revised	2018	● Endorsed the TCFD ● Introduced negative screening
	2019	● Adopted the Equator Principles
● Japan's Stewardship Code revised for the second time ● Goal of net zero GHG emissions by 2050 declared by the Japanese government	2020	● Started impact investment
● Japan's Corporate Governance Code revised for the second time ● Glasgow Financial Alliance for Net Zero (GFANZ) established	2021	● Established the ESG Investment Strategy Office (currently the Responsible Investment Strategy Office) ● Expanded targets for Thematic Investment ● Set target for net zero GHG emissions by 2050 ● Appointed as a PRI Board Director ● Joined the Net-Zero Asset Owner Alliance (NZAOA)
● The Tokyo Stock Exchange's market restructuring requires TCFD disclosure for Prime Market-listed companies	2022	● Set mid-term target for GHG reductions in 2030 ● Established Decarbonization Financing Facility ● Appointed as a member of NZAOA's Steering Group ● Accepted stewardship code for corporate pensions ● Joined PCAF, CA100+, and Advance
● Full-scale launch of Japan's GX League ● ISSB Disclosure Standards finalized ● TNFD disclosure framework formulated	2023	● Expanded targets for Thematic Investment and Decarbonization Financing Facility ● Joined the Japan Impact-driven Financing Initiative ● Formulated the ESG Investment Guidelines (currently the Responsible Investment Guidelines) ● Appointed as a leading sponsor of PRI in Person Tokyo 2023 PRI in Person 2023 Lead Sponsor
● Japan's GX Economy Transition Bonds issued ● Japan's GX Acceleration Agency established	2024	● Joined TNFD ● Joined Spring ● Awarded the Gold Prize "Minister of the Environment Award" ● Established FY2024-FY2026 Mid-Term Management Plan (Set key sustainability themes for investment management units) ● Established the Nissay Impact Investing Facility ● Published TCFD & TNFD Report ● Established the Nippon Life Transition Finance Framework
● SSBJ published Sustainability Disclosure Standards ● Japan's Stewardship Code revised for the third time	2025	● Joined TISFD ● Joined the Global Impact Investing Network (GIIN) ● Established Nippon Life Nature Finance Approach



Our Vision

Recent Track Record and Future Targets

Dialogue

Total number of companies we held dialogues with	Number of companies we engaged in climate change-focused dialogues	Overall resolution rate of important issues identified		Reduction of GHG from top GHG emitters, etc.
652	78	Approx. 31%	Over 70%	Approx. -17%
(July 2024 to June 2025)	(They account for about 80% of GHG emissions from domestic listed equity and corporate bond investments)	(Resolution rate of important issues identified in 2024)	(Cumulative resolution rate of important issues after five years of dialogue)	(April 2018 to March 2024)

Investment

Thematic Investment

	Thematic Investment	Decarbonization Financing Facility	Nissay Impact Investing Facility	Outcomes: Contribution to GHG reduction
Result	Approx. 3.3 trillion yen (FY2017–FY2024)	Approx. 2.4 trillion yen (FY2017–FY2024)	Approx. 20.1 billion yen (FY2024)	Approx. 4.71 million tonnes (FY2024)
Target	5 trillion yen (FY2017–FY2030)	3 trillion yen (FY2017–FY2030)	500 billion yen (FY2024–FY2030)	FY2030 Target: 15 million tonnes/year

GHG emissions in asset management portfolio*

*Targets are Scope 1 and Scope 2 emissions from domestic and overseas listed equities, domestic and overseas corporate bonds, and real estate. (including equities and corporate bonds invested through mutual funds)

	Total emissions (compared to FY2010)	Intensity (compared to FY2020)
Result	Approx. -44.8% (FY2023)	Approx. -35.6% (FY2023)
FY2030 mid-term target	Over -45% (compared to FY2010)	Over -49% (compared to FY2020)

NEW

Based on the targets set by the government in February 2025, our Group has newly established outcome targets for GHG emissions for FY2035 and FY2040.

Total emissions

FY2035 mid-term target (compared to FY2013)	FY2040 mid-term target (compared to FY2013)
Over -60%	Over -73%

Integration
Positive Screening

Integration is a responsible investment method aligned with one of the six Principles for Responsible Investment (PRI) published by the United Nations in 2006, which states, "We will incorporate ESG issues into investment analysis and decision-making processes."

Nippon Life integrates ESG factors into our investment processes across all asset classes. Specifically, we make investment decisions based on ESG ratings, which are assigned by analyzing and evaluating companies' ESG initiatives, their commitment to addressing issues, and the extent of risks that may impact their business. By doing so, we make investment decisions by incorporating non-financial factors, such as their impact on corporate value and creditworthiness, into traditional analyses, including financial analyses. When integrating these non-financial factors, we leverage information from companies' disclosures, insights gained through dialogues with them, expertise from our Group company Nissay Asset Management, and data from ESG vendors, tailored to the characteristics of each asset class. Additionally, ESG ratings are utilized for positive screening.

Definition of ESG ratings

	Contents
Relation of the ESG-related initiatives of companies to corporate value and other factors over the mid- to long-term	(1) Positive
	(2) Neutral
	(3) Negative
	(4) Significantly negative

Applying allocation rules
(Introduction of positive screening)

Overview of Investment Decisions

Using the appropriate evaluation methods for each asset

ESG evaluation

Choosing ESG factors that influence corporate value, and then analyzing and evaluating

Traditional evaluation

Financial analysis, non-financial analysis, future cash flow forecast, creditworthiness evaluation, etc.

Investment decisions

Positive screening

In positive screening, we decide to invest in companies based on their practices like producing environmentally friendly products or contributing to the development of local communities. This approach differs from negative screening, where companies are excluded as investee companies. Unlike negative screening, which offers relatively clear criteria for excluding investment targets, positive screening requires more detailed research and analysis. It involves assessing whether initiatives related to climate change and natural capital positively influence the environment and society, and whether they ultimately contribute to the enhancement of corporate value.

In general, asset management companies tend to implement positive screening on a per-fund basis. However, as part of our positive screening approach, we have implemented allocation rules across assets, where ESG ratings are used as a criterion, specifically focusing on the proportion of holdings with high ESG ratings.

For example, we have established a rule that the total market value of holdings with ESG rating 1 should be above a certain percentage of the overall portfolio and are monitoring the situation.

In this way, we prioritize funding to investee companies with excellent ESG initiatives. For investee companies where we believe there is room for improvement in ESG initiatives, we encourage these initiatives through dialogue and other means.

Negative Screening

In line with our basic stance of responsible investment—working collaboratively with investee companies to address social issues from a mid- to long-term perspective—we aim to solve social issues as a whole by reaching out to the entire company. However, we also conduct negative screening for some companies and businesses.

Specifically, considering the mission and public nature of the life insurance business, we prohibit investing in companies engaged in the manufacture of weapons such as cluster munitions, anti-personnel mines, and nuclear weapons. Additionally, with the growing international interest in climate change, spurred by initiatives like the UN-adopted SDGs and the Paris Agreement, we have adopted a policy to refrain from making new investments in coal, oil, and gas projects without measures to reduce GHG emissions. Furthermore, in light of environmental issues such as deforestation caused by palm oil production as well as human rights issues such as forced labor, the target scope of negative screening includes companies related to palm oil without RSPO* certification. It also includes tobacco-related companies from the perspective of enhancing responses to health issues.

*The Roundtable on Sustainable Palm Oil

Negative screening targets

	Screening areas	Screening assets
Non-humanitarian	● **Specific weapons manufacturing companies** (Cluster munitions, biological weapons, chemical weapons, anti-personnel landmines, nuclear weapons)	● Equity investments ● Bond investments ● Corporate loans
Biodiversity / Human rights	● **Palm oil-related companies** (without RSPO certification)	
Health	● **Tobacco-related companies**	
Climate change	● **Coal-related projects** (Excluding brownfield projects aligned with a 1.5°C pathway) ● **Oil and gas related projects** (1) Greenfield exploration projects (2) Related projects expect resource explorations (Excluding gas-related projects aligned with a 1.5°C pathway)	● New project finance

Negative screening process

Investigate targets that can be conducted with negative screening

Determine target areas and companies for negative screening

Exclude from investment

Periodic verification of portfolio

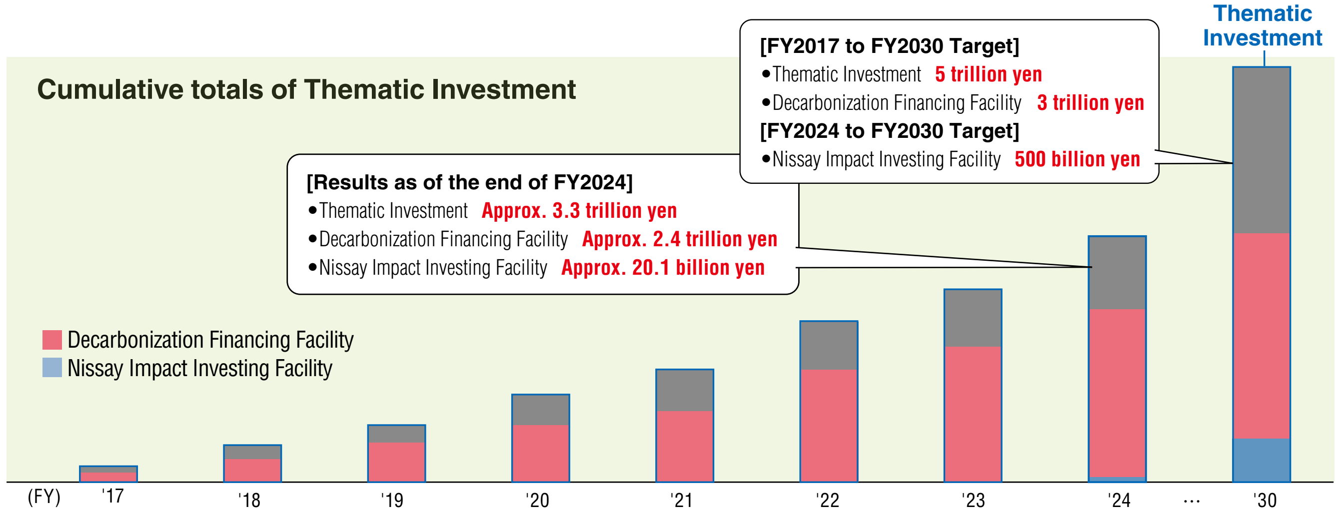
Thematic Investment

To support corporate ESG initiatives by providing finance, we have set a target amount of 5 trillion yen (FY2017 to FY2030) for "Thematic Investment," where the use of funds is linked to SDGs-related themes. In addition, as an internal target for this framework, we set a target of 3 trillion yen (FY2017 to FY2030) for "Decarbonization Financing Facility," aimed at investments that contribute to the decarbonization of companies and society. Given the smooth progress of green finance and investments in renewable energy-related projects within the Decarbonization Financing Facility recently, as of the end of March 2025, Thematic Investment has reached approximately 3.3 trillion yen, while the Decarbonization Financing Facility has reached approximately 2.4 trillion yen.

Since FY2024, we have also set a target of 500 billion yen (FY2024 to FY2030) for "Nissay Impact Investing Facility," aimed at investments in projects with a particularly strong intent to create outcomes. This facility targets investments that meet all the criteria specified in the table below. In addition to the generally recognized definition of impact investing, it aims to proactively create outcomes through dialogue-driven engagement.

Requirements for the "Nissay Impact Investing Facility"

Investee companies	Intention to create outcomes	Quantitative measurement and disclosure of outcomes
Nippon Life	Dialogue that promotes outcomes	Leads to resolving key sustainability themes



Column: Nissay Sustainable Finance

As part of our commitment to supporting a sustainable environment, society, and economy through financial solutions, we began offering the Nissay Green Loan in August 2022, followed by the Nissay Sustainability-Linked Loan and Nissay Positive Impact Finance in June 2023.

Nissay Green Loan

This loan is intended to support corporate decarbonization efforts by financing green projects with recognized environmental improvement effects. In addition to standard credit screening, we assess fund usage, fund management methods, and other relevant factors based on our internal criteria and regularly monitor the environmental benefits.

Nissay Sustainability-Linked Loan

This loan is designed to promote and support sustainable economic activities and growth in both environmental and social areas by setting Sustainability Performance Targets (SPTs) and offering incentives, such as interest rate adjustments, linked to progress. We regularly monitor the achievement of these targets.

Nissay Positive Impact Finance

Nissay Positive Impact Finance aims to identify the environmental, social, and economic impacts of a company's overall business activities, and to set KPIs that promote the enhancement of positive impacts and reduction of negative ones. We regularly monitor the progress toward these goals (the increase in positive impacts and the mitigation of negative impacts).

Examples of Investments

Case Study 1: Investment in the Malaria Control Project
(SORA Technology Co.,Ltd.)

We have invested in SORA Technology Co., Ltd., a company developing malaria control solutions, through the Sustainability Issue Resolution Fund No.1, managed by Nissay Capital Co., Ltd. Despite years of global efforts to combat malaria, it remains a serious public health challenge, with over 200 million infections and approximately 600,000 deaths annually—partly due to recent constraints in funding for malaria control initiatives. SORA Technology's cost-effective solution, which utilizes AI and drone technology, is gaining significant attention as an innovative approach to suppress the spread of malaria.

Case Study 2: Investment in Sustainability / Blue Bonds
(Hokkaido University)

We have invested in the Sustainability/Blue Bonds (the "Hokudai Ambitious Bonds") issued by Hokkaido University.

The funds will be allocated to projects under Hokkaido University's medium-term vision, "HU VISION 2030," which aims to realize a Sustainable Well-being Society through the synergy of "Excellence" in science and technology education and research, and "Extension," which applies these strengths to society and addresses regional challenges.

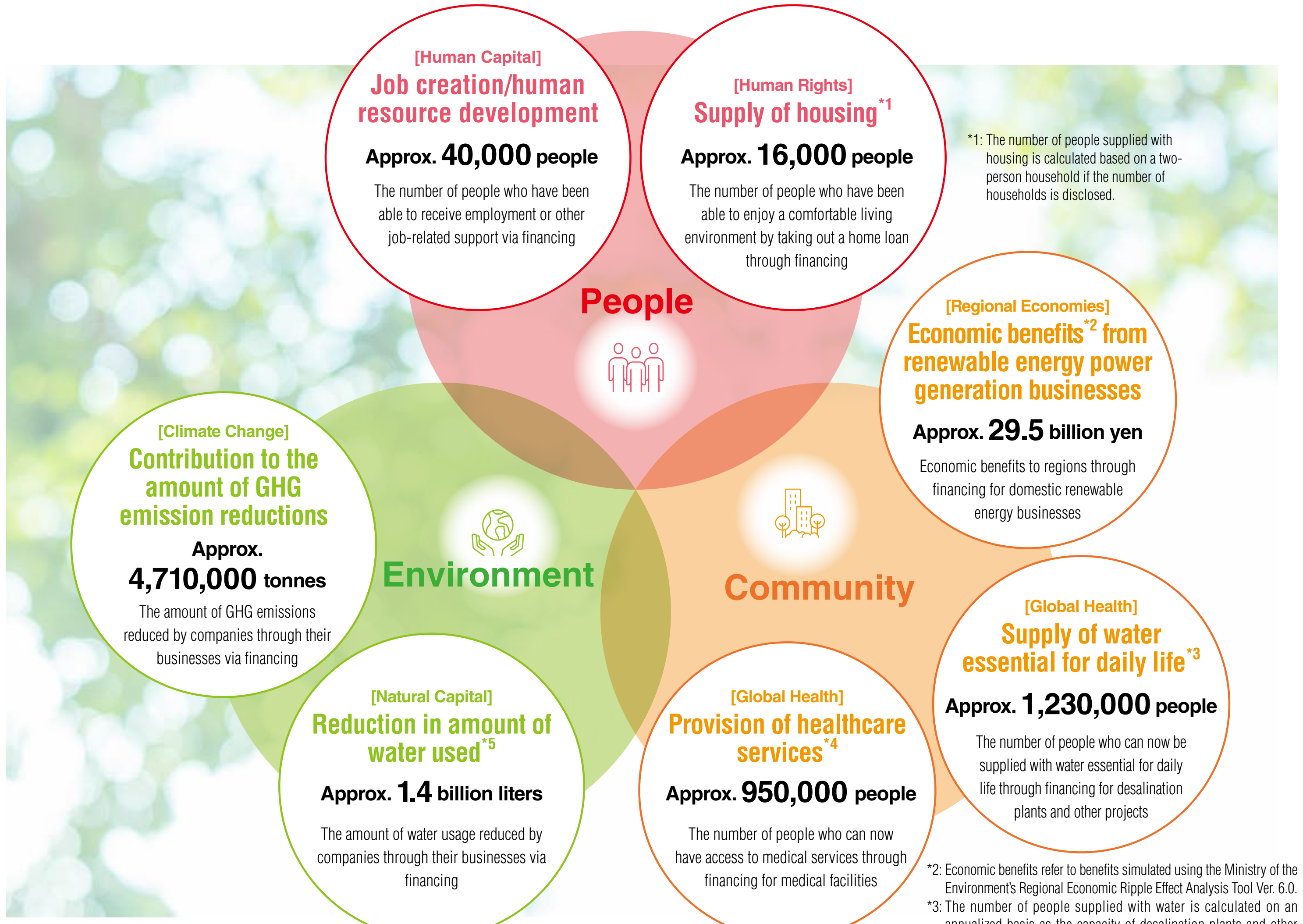
Case Study 3: Collaborative Investment in Regional Financial Institutions
(Daishi Hokuetsu Financial Group, Inc.)

Based on the "Partnership Agreement for Promoting Regional Sustainability" concluded between Dai-ichi Hokuetsu Financial Group Inc. and our company, we executed a joint Nissay Green Loan to Dai-ichi Hokuetsu Lease Co., Ltd.

The loan is intended to finance a green project that demonstrates environmental improvement effects and will be used specifically for the purchase of solar power generation equipment.

Examples of Outcomes Shaped through Thematic Investment

"Outcomes" refers to results or effects that indicate the creation of positive impacts or the reduction of negative impacts on society. They are also known as sustainability outcomes. We aim to solve social issues by creating outcomes that resolve key sustainability themes through Thematic Investment. (Outcomes are calculated based on information provided by investee companies, taking into account the share of the investment amount.)



*1: The number of people supplied with housing is calculated based on a two-person household if the number of households is disclosed.

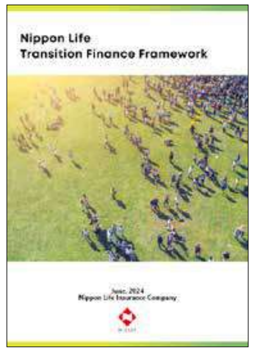
*2: Economic benefits refer to benefits simulated using the Ministry of the Environment's Regional Economic Ripple Effect Analysis Tool Ver. 6.0.

*3: The number of people supplied with water is calculated on an annualized basis as the capacity of desalination plants and other projects to supply household water divided by the average global annual water usage (per person).

*4: The number of people supplied with medical services is calculated as the annualized number of patients per day.

*5: Includes water savings from wastewater treatment and similar measures

Transition Finance Framework



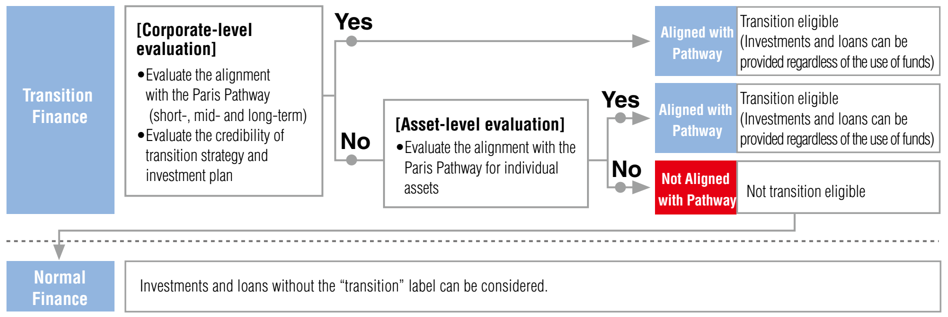
In June 2024, Nippon Life published the Nippon Life Transition Finance Framework (hereafter "the Framework"), which summarizes the specific evaluation criteria, underlying rationale, and evaluation process for transition finance.
Due to the difficulty of rapidly realizing a decarbonized society in Japan, efforts for transition are extremely important. The Framework ensures credibility and transparency by providing concrete evaluation criteria and methods based on scientific evidence for transition finance. Additionally, the Framework has been disclosed on our website to enable not only our company but also financial institutions and commercial companies to widely use it and contribute to the sound development of the transition finance market.

https://www.nissay.co.jp/global/sustainability/esg/pdf/2024_transition_finance_framework.pdf

Overview of Nippon Life Transition Finance Framework

Basic Principles and Overall Evaluation

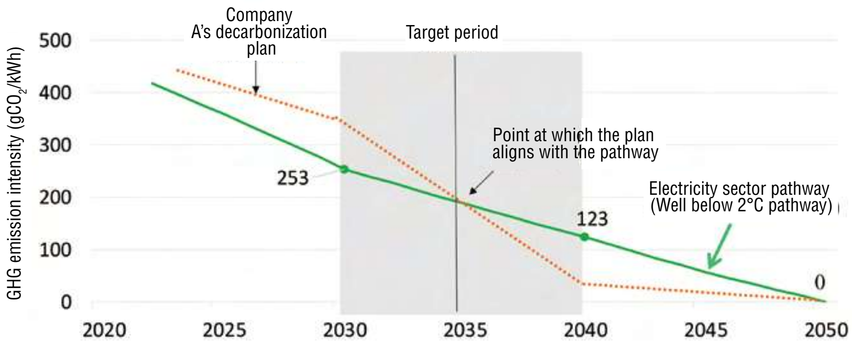
- We have defined the basic principle of the Framework as "transition finance is investments and loans for supporting a corporate's initiatives consistent with the Paris Agreement, which pursues the achievement of the 1.5°C target." For this reason, with a focus on the evaluation of a company's overall GHG emissions reduction plan, we evaluate whether the plans are in line with a science-based pathway ("Paris Pathway") that is consistent with the Paris Agreement based on corporate-level short-, mid-, and long-term (2030, 2040, and 2050) GHG emissions reduction goals.
- For companies with plans that are not aligned with the pathway at the corporate level, we carry out evaluations at the asset level for which the use of proceeds is designated. We use this two-step alignment evaluation in order to decide funding availability in terms of transition finance.
- Even in cases where a company is neither eligible for transition finance at the corporate level nor at the asset level, we still consider our non-label corporate investments and loans.



Evaluation of Alignment with the Paris Pathway

- For the evaluation of alignment with the Paris Pathway, we compare companies' GHG emissions reduction plans with 1.5°C pathways and the well below 2°C pathway. Even in cases where companies' planned figures are higher than the reference values of those pathways over the short term, we will determine their GHG emissions reduction plans to be aligned with the Paris Pathway if their cumulative emissions generated during the target periods will be lower than that of the pathways due to them focusing more on promoting GHG emissions reductions toward 2040 and 2050 in the mid- to long-term.

Corporate-level evaluation example for electricity sector* with the well below 2°C pathway



* The Framework, which was published in June 2024, separately prescribes concrete evaluation methods for electricity and steel sectors, which have particularly high GHG emissions and for which financial support for decarbonization is important.

Examples

Advancing transition finance for domestic power companies

Corporate efforts toward decarbonization have steadily expanded in recent years. Following the publication of the Framework, we have received numerous inquiries and expressions of interest from stakeholders in the electricity sector regarding financing for decarbonization initiatives. In response, we have been actively advancing transition finance with several domestic electric power companies.
The electricity sector, which is among the largest sources of GHG emissions, requires a wide range of transition efforts to achieve decarbonization, including the expansion of renewable energy, the use of ammonia and hydrogen, and the deployment of CCS and battery storage. Providing financial support for these initiatives is crucial for advancing the decarbonization of Japanese society.
As an investor, we are committed to actively promoting reliable and transparent transition finance, while continuing to engage in dialogue with companies and stakeholders. Through these efforts, we aim to contribute to the healthy growth of the transition finance market.

Contribution to transition finance in Europe

The importance of transition finance is growing internationally as part of efforts to realize a decarbonized society.
In this context, we have decided to invest in the European Transition Infrastructure Finance Fund, established by DWS, a major asset management company in Germany. The fund was newly launched by DWS utilizing the Nippon Life Transition Finance Framework and is designed to provide financing to European infrastructure companies that have emission reduction plans aligned with the Paris Agreement. Through this strategy, the fund seeks to contribute to the transition towards net-zero GHG emissions.
We acquired a stake in DWS in 2018 and have been working to enhance the Group's asset management capabilities and asset management business. Looking ahead, we will continue to deepen its collaboration with DWS and support corporate decarbonization initiatives over the medium to long term, thereby fulfilling its role as a responsible institutional investor in both Japan and Europe.

Comment

Sundeep Vyas
Head of European Infrastructure Debt.
DWS

With this new initiative anchored by Nippon Life, DWS is pleased to add another strategy to its ESG related European infrastructure debt family. The strategy will support European infrastructure assets that are not yet green but are committed to meaningful decarbonization through concrete capital expenditure programs and science-based targets, in alignment with the Paris Agreement. We are looking forward to partner with Nippon Life to expand the concept of transition finance to European infrastructure, which will support Europe in achieving its climate goals by 2050.

Column

External Communication (2): Participation in seminars as a speaker

A representative from our company spoke at the Climate Transition Finance Seminar hosted by AIGCC, CBI, and PRI, where we shared insights from the perspective of institutional investors and presented our initiatives.
The seminar brought together participants from the Ministry of Economy, Trade and Industry, local governments, and financial markets, and featured lively discussions on the challenges and investment opportunities in advancing transition finance.

Methods

Nature Finance Approach

The Nippon Life Nature Finance Approach is published on our website.

- Click here for the main publication
- Click here for an overview material

In August 2025, we published the Nippon Life Nature Finance Approach, which provides measurement and evaluation methods for visualizing the impact of corporate initiatives on nature restoration using simple, quantitative indicators grounded to the concept of Planetary Boundaries (PB).

Although the urgency of action is extremely high, we recognize that efforts are still in progress in the world and society as a whole due to its complexity compared to climate change, which has an absolute metric such as GHG emissions. Under these circumstances, we believe that indicators to evaluate efforts are important in order to further promote financing for corporate efforts toward the restoration of nature, and we have organized a set of practical and simple indicators based on a scientific perspective.

This approach, developed as a framework for nature restoration, is not the "final solution" but a concept that will evolve through ongoing discussion with stakeholders. We hope it will provide a foundation for cross-sector dialogue, including business, finance, policy, and academia, and contribute to the development of nature finance both in Japan and internationally.

Overview of the Nippon Life Nature Finance Approach

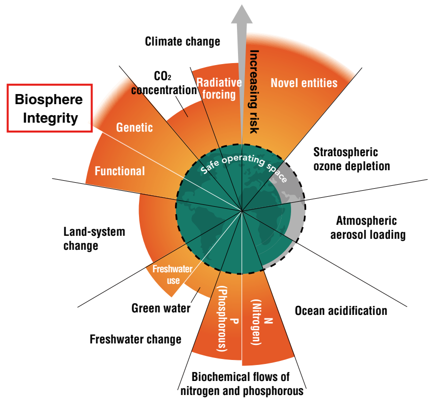
Three Key Points in Developing This Approach

As nature is highly complex, it is challenging to translate it into concrete actions. Nevertheless, to steadily promote restoration of nature, we placed weight on three points in formulating this Approach. With these elements incorporated into this Approach, we hope to create significant financial flows by supporting as many companies as possible with a clear "vector (=a sense of direction and distance)" toward a nature positive future.

1. Ensure that the contribution of a given financing activity to global goals (e.g., Planetary Boundaries) can be measured quantitatively.
2. While maintaining scientific validity and legitimacy, develop a framework that is simple enough for corporates and financial institutions to take concrete actions.
3. Design a framework applicable to a wide range of sectors, not only the ones that are directly related to nature-oriented businesses such as agriculture and forestry.

Established Indicators Based on the Concept of Planetary Boundaries

Planetary Boundaries (2023)



Source:Created by our company based on "Planetary Boundaries" by the Stockholm Resilience Centre

Two Aspects of the "Biosphere"	Global goals (PB)		Nippon Life's review indicators and perspectives
	Indicators	Target value	
Functional (=Ecosystem)	•HANPP[1] =Amount of NPP used by humans (Unit: Carbon-equivalent weight) →The residual from the overall NPP is energy available to ecosystems	•5.6 billion tons = less than 10% of the preindustrial Holocene century-mean NPP	•Reduce HANPP •Increase NPP (*contributing to biodiversity enhancement)
Genetic (=Species)	•Extinctions per million species-years *Expressed as E/MSY[2]	•<10 E/MSY [Meaning] If there were one million species on Earth, fewer than ten would go extinct annually	•Increase population size and number of species (*focusing on endangered species)

1. HANPP=Human Appropriation of global terrestrial Net Primary Production
2. E/MSY=Extinctions per Million Species-Years

Proposed in 2009, Planetary Boundaries (PB) is a framework for objectively assessing the impact of human activities on the global environment. It identifies nine planetary boundaries, such as "Climate Change" and "Biosphere Integrity." As of 2023, six of the boundaries have been transgressed.

To evaluate "Biosphere Integrity" within PB, the following indicators are used:

1) Functional: Human Appropriation of global terrestrial Net Primary Production (HANPP)

2) Genetic: Species extinction rate

In our approach, the ultimate goal is to keep 1) HANPP/NPP and 2) species extinction rates within Planetary Boundaries. Financing corporate initiatives that contribute to these goals is classified as "nature finance."

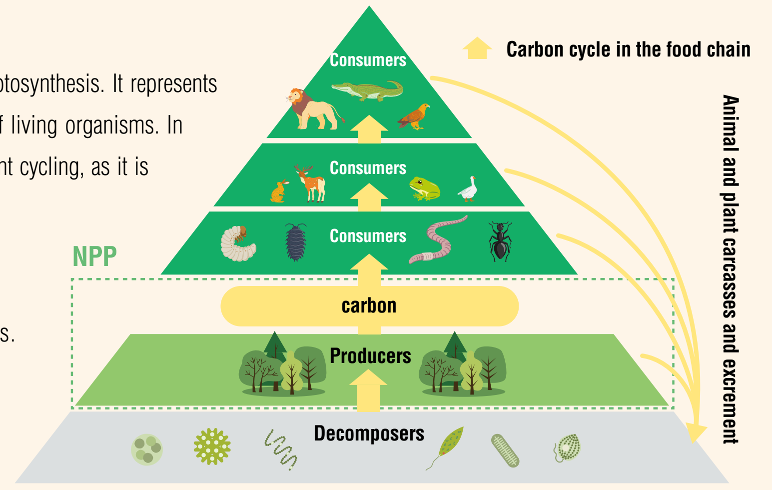
What is NPP/HANPP?

NPP (Net Primary Production)

NPP refers to the carbon produced by plants through photosynthesis. It represents the amount of energy available for survival and growth of living organisms. In nature, this plant-produced NPP plays a key role in nutrient cycling, as it is consumed by animals at the start of the food chain.

HANPP
(Human Appropriation of global terrestrial NPP)

HANPP refers to the portion of NPP used by humans. The remainder of the NPP is energy available to other organisms and ecosystems.



Concept of our Nature Finance

Target Area	Types of Nature Restoration	Projects Examples	Perspectives of Eligibility Assessment: HANPP/NPP	Species	DNSH
Terrestrial plants (Forest)	Decrease in HANPP	① **Projects that mitigate or avoid the expansion of agricultural lands and pasture with deforestation** ▶ Agriculture or husbandry that efficiently uses lands (e.g., regenerative agriculture) ▶ Development of alternatives to agricultural or livestock products (e.g., alternative protein)	Avoided HANPP *Evidences are needed for this claim	N/A *Due to difficulty in observing the avoidance of species decrease	No significant negative impact from the environmental and social perspectives
		② **Projects that mitigate or avoid the development and use of natural resources (minerals, fiber, rubber, water, etc.) with deforestation** ▶ 3R[1] projects or initiatives for relevant natural resources ▶ Development of alternatives to natural resources (e.g., synthetic minerals, etc.)			
		③ **Projects that mitigate or avoid urban infrastructure development with deforestation** ▶ Projects that develop high-rise residential buildings in cities that expand into surrounding forested areas ▶ Development of alternative infrastructure (e.g., alternative transportation networks to roads utilizing air and sea routes, etc.)			
	Increase in NPP	④ **Forest conservation and reforestation(e.g., afforestation, tree thinning)** *Covers a wide range of profitable forestry projects[2] that are not limited to public or charitable activities	Increased NPP	+ Increased population of target species *Put a focus on endangered species	

If a project results in even a small decrease in HANPP, or a small increase both in NPP and species populations, it will qualify for our Nature Finance.

1. 3R = Reduce, Reuse and Recycle 2. Wood and pulp, carbon credits, beverages from water sources recharged by forests, real estate with natural landscapes, nature-related recreation services, etc.

In this approach to nature finance, we define land-based activities* that reduce the amount of energy consumed by humans in ways that help avoid deforestation as a "decrease in HANPP."

For "increase in NPP," which reflects forest growth, we examine both the increase in NPP and species populations. Given that the PB highlights the "species extinction rate," we pay particular attention to changes in endangered species populations.

In addition, we apply the "DNSH (Do No Significant Harm)" principle to ensure that these business activities do not cause significant adverse impacts on environment or society.

Under this approach, any project that achieves even a small decrease in HANPP or a small increase both in NPP and species populations qualifies as nature finance, supporting corporate efforts toward a nature positive trajectory.

*Terrestrial plants (e.g., forests) are considered to have the most significant impact on nature restoration. Therefore, this approach focuses on land-based activities only.

Comment

Ryo Kohsaka
Professor
Graduate School of Agricultural and Life Sciences, The University of Tokyo

Since the adoption of the Kunming-Montreal Global Biodiversity Framework in 2022, efforts by private sector have advanced, and engagement of them has become a norm. Expectations are high for the financial sector, with their cross-sectoral influence. At such a critical juncture, "Nippon Life Nature Finance Approach" is a pioneering initiative aiming for developing indicators for the "State of Nature" ahead of Japan's financial sector. Focusing mainly on NPP, I appreciate that this Approach organizes and presents impact indicators for ecosystems and species with the simplicity necessary for practical application. Further understanding of methodology is awaited. Currently, the IPBES "Business and biodiversity assessment" is underway which will assess the methodologies and their best estimate. I hope that the Approach here will lead to further participation by a wide range of sectors while incorporating discussions from assessments.

CIO Message

Keisuke Kawasaki
Executive Officer (CIO)

Activities based on social responsibility as an institutional investor providing long-term capital

Investments based on long-term holdings

Our company is committed to honoring the long-term promises made to our policyholders through life insurance contracts, with a mission to steadily increase dividends over the long term. The assets we manage are accumulated from the premiums entrusted to us by policyholders, and some life insurance contracts guarantee a certain rate of return on these investments. Given these asset characteristics, along with the mission and public interest of the life insurance business, we take a long-term investment perspective, carefully balancing safety, profitability, liquidity, and public interest in our investment decisions. In our domestic equity and corporate bond investments as well, we adopt a long-term holding strategy. Recognizing our social responsibility as an institutional investor that supplies long-term capital, we place strong emphasis on stewardship activities. We actively engage in constructive dialogue with investee companies not only to enhance their corporate value, but also to consider their impacts on the environment and society.

One of the largest dialogue efforts in Japan

We place the highest priority on engagement in our stewardship activities—that is, careful dialogue with investee companies to encourage their sustainable growth and enhance their mid- to long-term corporate value. Through dialogue, we aim to foster a mutually beneficial relationship based on trust with companies while supporting their initiatives. To this end, we engage in dialogue with approximately 700 investee companies nationwide each year, representing one of the largest volumes of dialogue in Japan.

Contributing to “Policy Plan for Promoting Japan as a Leading Asset Management Center”

We consider it important to contribute to “Policy Plan for Promoting Japan as a Leading Asset Management Center” and have made stewardship activities a key pillar of our efforts.

Contributing to the Substantive Advancement of Corporate Governance Reform

In Japan, corporate governance reforms are underway with the aim of realizing sustainable growth and enhancing corporate value over the medium to long term. We have continued to engage in constructive dialogue with investee companies on themes such as shareholder returns and profitability, emphasizing improvements in capital efficiency. As an institutional investor that coexists with Japanese society, we remain committed to supporting initiatives that contribute to the sustainable enhancement of corporate value, by encouraging investee companies to proactively pursue growth investments in addition to shareholder returns.

To realize “a society in which everyone can live their lives with peace of mind”

To realize a society in which everyone can live with peace of mind, we are promoting initiatives to address social issues in three areas—“People,” “Community,” and the “Environment”—through the advancement of sustainability management for long-term stable operations.
In our stewardship activities in recent years, we have prioritized climate change, human rights, and human capital as key themes in our dialogues, placing greater emphasis on the perspectives of environmental (E) and social (S) responsibilities—that is, the impact of non-financial efforts by investee companies on corporate value.

Measures to enhance dialogue effectiveness (escalation)

As we review the progress of our dialogues, we implement various measures to enhance the effectiveness (escalation), such as sending letters to management and holding discussions with senior executives and independent directors. Given that strengthening the functions of the board of directors has become a central issue in corporate governance reform, we recognize the growing importance of independent directors who oversee the executive side of management. Accordingly, we intend to gradually increase our engagement with independent directors and other key stakeholders. Through these activities, we work to ensure that our approach is accurately communicated to the management of our investee companies, including both internal and external directors. Additionally, we exercise our voting rights as necessary when no improvement is expected or when there is no significant improvement over the mid to long-term.

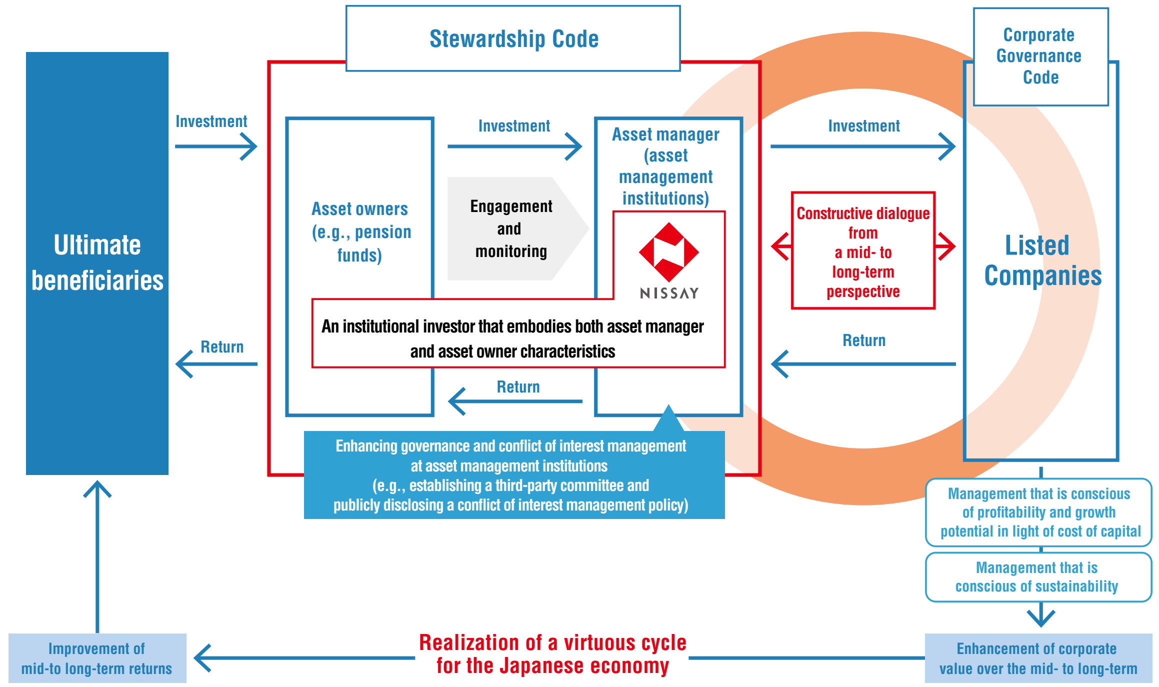
Supporting companies at their own pace from a long-term perspective

We take a long-term approach to our stewardship activities, recognizing that some results may take more than three to five years to achieve. Accordingly, in our dialogues, we consider the unique circumstances of each investee company and support them at their own pace, helping them to respond to changes in their business environment and achieve sustainable growth. We have identified the promotion of responsible investment as a priority in our Mid-Term Management Plan, with stewardship activities at its core. Going forward, as a responsible institutional investor, we aim to benefit from the enhanced long-term corporate value of our investee companies as part of our returns, while contributing to the creation of a better society through our stewardship activities.

Our Fundamental Philosophy on Stewardship

We consider it important to contribute to “Policy Plan for Promoting Japan as a Leading Asset Management Center” and have made stewardship activities a key pillar of our efforts.

Creating a positive cycle for the economy as a whole by enhancing corporate value through constructive dialogue



Our Fundamental Philosophy on Stewardship

1 By engaging in constructive dialogue with investee companies while considering environmental and social factors, we aim to enhance their corporate value over the mid- to long-term. We will reap the benefits of these activities through shareholder returns, rising stock prices, and stable redemption of corporate bonds, ultimately striving for the realization of “a society in which everyone can live their lives with peace of mind.”

2 We continuously review the content of our dialogues from a PDCA perspective, monitor changes in the companies’ efforts, and implement measures to enhance dialogue effectiveness (escalation) as necessary.

3 Through ongoing dialogues with investee companies, we convey our ideas and awareness of issues. When exercising our voting rights, we conduct thorough assessments based on the unique circumstances of each company, rather than applying a one-size-fits-all approach for approval or rejection.

4 If improvements in the efforts of investee companies cannot be expected even after dialogue, we will consider actions such as voting against company proposals, supporting shareholder proposals, and selling equities and corporate bonds (divestment).

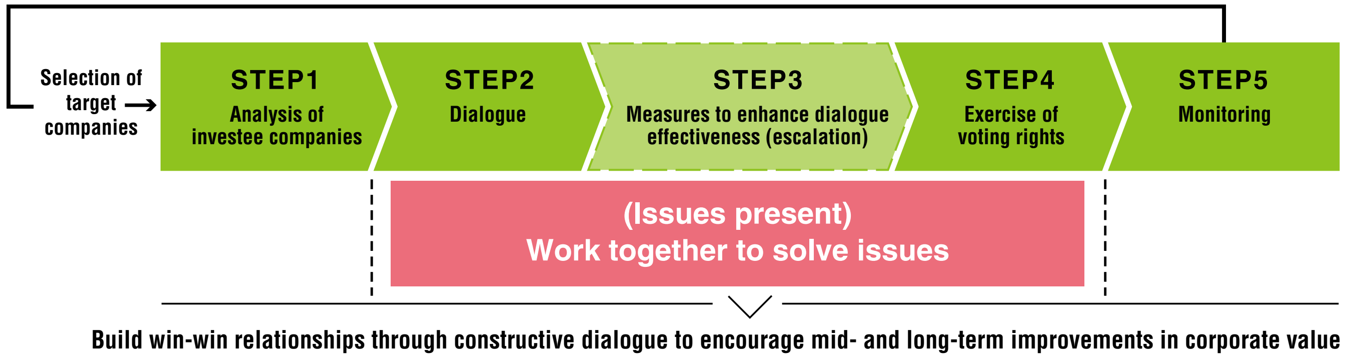
5 We strive to cultivate highly knowledgeable and skilled professionals who can support the sustainable growth of investee companies through constructive dialogues that consider the unique characteristics of the Japanese market, with a deep understanding of the investee companies and their business environments.

For details on information disclosure, please refer to the Stewardship Activity Report (2025). *Japanese version only
https://www.nissay.co.jp/kaisha/csr/shisan_unyou/ssc/

Stewardship Activity Process

We have defined our basic approach to stewardship activities in five steps: "analysis of investee companies," "dialogue," "measures to enhance dialogue effectiveness (escalation)," "exercise of voting rights," and "monitoring." Among these, the most important aspect of our stewardship activities is engagement, which involves promoting sustainable growth and enhancing corporate value over the mid- to long-term through thoughtful dialogue with investee companies.

Basic Cycle of Stewardship Activities



STEP 1 Our dialogue staff and analysts, who have extensive practical experience and advanced expertise in equity and corporate bond investments, gather information on corporate performance, financial conditions, and industry trends to analyze investee companies and identify important issues for dialogue.

STEP 2 Through constructive dialogue that considers environmental and social factors alongside management and business strategies, financial strategies, and governance, we deepen our understanding of investee companies and communicate issues to share our recognition of their current status, challenges, and future direction.

STEP 3 If, through ongoing dialogues with companies, we are unable to share our awareness of the issues or expect no proactive actions, or if there is no significant progress over the mid- to long-term, we will continue to support efforts and implement measures to enhance dialogue effectiveness (escalation), such as sending letters to management and holding discussions with senior executives and independent directors.

STEP 4 We exercise voting rights for all shares we hold, including those in companies without specific important issues related to voting rights. For companies with identified important issues, as specified in our Guidelines for Exercise of Voting Rights, we avoid a one-size-fits-all approach; instead, we make decisions based on an evaluation of past dialogues aimed at addressing these issues, the company's current situation, and its future direction.

STEP 5 We review financial statements and monitor various indicators to confirm the progress of efforts aimed at enhancing the value of investee companies, assessing whether management is operating in line with the direction shared with the company.

We believe it is important to maintain a win-win relationship with our investee companies and support their mid- to long-term corporate value enhancement by repeating this basic cycle. In this process, if no change is observed despite efforts to encourage action through dialogue, or if we vote against a proposal, we will consider selling equities or corporate bonds (divestment) depending on the situation.

Results of Stewardship Activities in the Previous Period

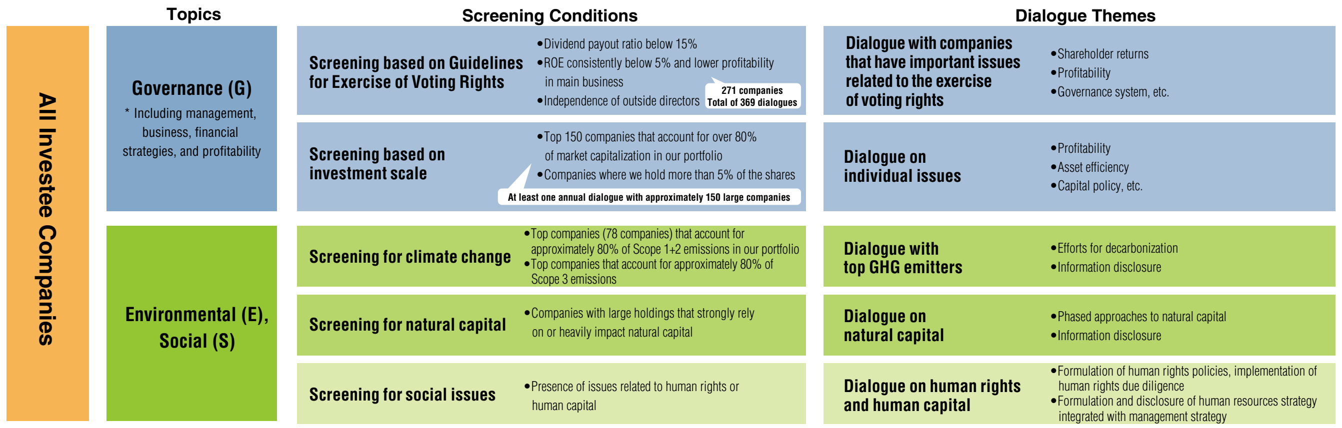
In 2024 (July 2024 to June 2025), we conducted a total of 1,058 dialogues with 652 companies, making it one of the largest dialogue efforts in Japan.

At Nippon Life, we have conventionally focused on dialogue regarding financial matters such as profitability, capital policies, and financial strategies, as well as governance-related issues. For governance (G), we have established the Guidelines for Exercise of Voting Rights and selectively engage with investee companies that we believe have important issues related to shareholder returns, profitability, governance systems, etc., regardless of their market capitalization, our holdings, or location. Through this approach, we aim to engage with mid-sized companies that play a crucial role in regional economies across Japan, supporting their efforts and contributing to society as a whole.

Additionally, when selecting companies for dialogue, we also consider the proportion of their market capitalization in our asset management portfolio. The top 150 companies in which we have the largest holdings account for about 80% of the total market capitalization of our portfolio, and we engage in dialogue with these companies annually. Among these, we have in-depth discussions on individual issues such as profitability, asset efficiency, and capital policies with approximately 60 companies.

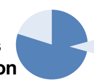
Furthermore, in recent years, we have placed a greater emphasis on environmental (E) and social (S) responsibilities, strengthening our efforts by expanding engagement to include top GHG emitters or companies that may have human rights-related concerns. Through our stewardship activities, we engage in dialogue on these topics, believing that contributing to the resolution of social issues is an important role for institutional investors providing long-term capital.

Selection of Investee Companies for Dialogue (Concept)



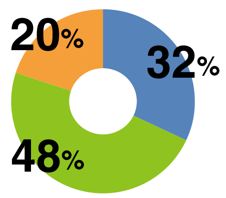
Dialogue Results of Previous Period

Dialogue Results of Previous Period



Total companies engaged	Total number of dialogues
652	1,058

Breakdown of Dialogue Topics*



* In this chart, dialogues that address both G and E/S topics are double counted.

Main Activity Results

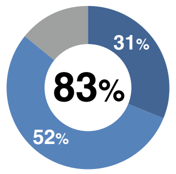
Governance

Dialogue with companies that have important issues related to the exercise of voting rights

Companies with important issues **271** Total number of dialogues **369**

Dialogue on individual issues such as profitability, asset efficiency, and capital policies with companies in which we have large holdings

Companies engaged **61**



Number of cases where issues were resolved or progress was made

Total: 246 Cases

Issues resolved: 91
Improvement measures disclosed, and improvement measures/intentions confirmed: 155

■ Issues resolved ■ Improvement measures disclosed, and improvement measures/intentions confirmed ■ No expected improvement

Environmental, Social

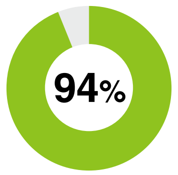
Related to Environmental (E) and Social (S) topics

Companies engaged **509** Total number of dialogues **632**

Among them, dialogue focused on climate change

Companies with high Scope 1 + 2 emissions **78** Companies with high Scope 3 emissions **49**

(These represent 80% of the GHG emissions from domestic listed equities and corporate bonds)



Disclosure status of reduction roadmaps for scope 1+2 emissions of top emitters

Total: 78 Companies

Disclosed: 74
Not disclosed: 4

Our Fundamental Principles of Engagement

The most important aspect of our stewardship activities is engagement, which involves promoting sustainable growth and enhancing corporate value over the mid- to long-term through thoughtful dialogue with investee companies. In our engagement approach, we focus on two fundamental principles: 1) promoting corporate development through constructive dialogue, and 2) verifying a company's efforts and, when necessary, providing additional support. In line with this philosophy, we invest significant human resources into our dialogue activities, using the information gathered from these dialogues to inform our investment analysis. At Nippon Life, we engage in dialogue with approximately 700 investee companies annually. During this process, we accumulate information on best practices and specific examples of dialogue that led to concrete improvements as organizational know-how and widely share it with other companies. There have been many instances where our investee companies have expressed gratitude, noting that the insights we shared were helpful for improving their management. Through these ongoing activities, we aim to maintain a virtuous cycle, positioning ourselves as an institutional investor chosen as a valuable dialogue partner for our investee companies, which will further enhance the quality of our dialogue.

Dialogue Process (Approach to Thematic Dialogue Aimed at Increasing Corporate Value)

1 Dialogue theme: governance (G)

At Nippon Life, we consider governance (G) to be the most important element for enhancing the corporate value of investee companies. For management and business strategy, we examine factors such as constructing a value creation story and management that is conscious of asset efficiency and cost of capital. Regarding financial strategy and capital policy, we look at target equity ratio, investments for sustainable growth, and shareholder returns to confirm whether these factors are strategically considered and disclosed in alignment with the company's growth stage, management phase, and future business strategy. (See item 1 in the figure on the following page.)

2 Dialogue themes: environment (E) and society (S)

Additionally, in recent years, corporate social responsibility has become increasingly important and now also affects corporate value, including brand value. We believe that the corporate value attributable to shareholders includes not only the net assets shown in financial accounting but also non-financial capital, which is not reflected in financial accounting. Therefore, enhancing corporate value also requires investee companies to focus on increasing the value of their non-financial capital. As such, dialogue themes focusing on environmental (E) and social (S) responsibilities have become key components of constructive engagement. Focusing on topics such as climate change, natural capital, human rights, and human capital, we believe it is important to increase transparency with shareholders via increased disclosures and to conduct meaningful dialogue from a perspective of increased corporate value. (See item 2 in the figure on the following page.)

3 Dialogue metric: PBR

Price-to-book ratio (PBR) is a key metric in dialogue aimed at enhancing corporate value along the themes above. PBR shows how many times the stock price is greater than the net asset value per share. From a financial theory standpoint, PBR incorporates key drivers of corporate value: ROE (1), cost of equity (2), and expected growth rate (3). (See item 3 in the figure on the next page for the PBR equation). The numerator shows how a PBR lower than 1 suggests a company whose profitability falls below the return shareholders require. The denominator shows that increasing expected growth rate can lead to an increase in PBR. In thorough dialogue with investees, we pair insights gleaned from our expanded PBR equation with knowledge of real business models and current company and market status to urge action along three fronts: increasing profitability to enhance ROE (1), reducing cost of equity (2), and enhancing expected growth rate (3). For ROE, we focus on areas such as increasing profitability in operating assets (e.g. improving returns on invested capital (ROIC)), while enhanced disclosure activities serve to reduce cost of equity and increase expected growth rates by inspiring confidence in mid-term growth strategies.

Key Issues and Dialogue Themes Prioritized to Enhance Corporate Value

1 Governance (G)

Theme details

Management and Business Strategy

Construction of a value creation story, management that is conscious of asset efficiency and capital costs, response to structural reforms and other changes, etc.

Finance Strategies and Capital Policies

Formulation and disclosure of capital policies and financial strategies that take into account the company's growth stage, management phase, and future business strategies.

- Setting and disclosure of target equity ratios (controlling financial leverage through capital policy)
- Investment aimed at sustainable growth
- Strategic review of shareholder returns, and setting and disclosure of numerical targets for shareholder returns, etc.

Governance System

Management system and other structures to support the above decision-making

Dialogue with companies that have important issues related to the exercise of voting rights

Response to shareholder returns, profitability, the independence and low attendance rate of outside directors, scandals, and other matters.

Dialogue on individual issues with companies in which we have large holdings

Response to profitability, asset efficiency, capital policy, etc.

2 Environment (E) and society (S)

Theme details

Response to climate change, natural capital, human rights, human capital (diversity, work style reform, employee engagement), regional development, health and productivity management, safety and health for workers, supply chain management, etc.

* "Kenko-Keiei®" is a registered trademark of the nonprofit organization Kenkokeiei

Dialogue with top GHG emitters, etc.

Enhance efforts and information disclosure regarding decarbonization

Dialogue on natural capital

Collecting information and share best practices from other companies (Requirements to be established in the future)

Dialogue on human rights

Formulate human rights policies and implement human rights due diligence

Dialogue on human capital

Formulate and disclose human resource strategies integrated with management strategies

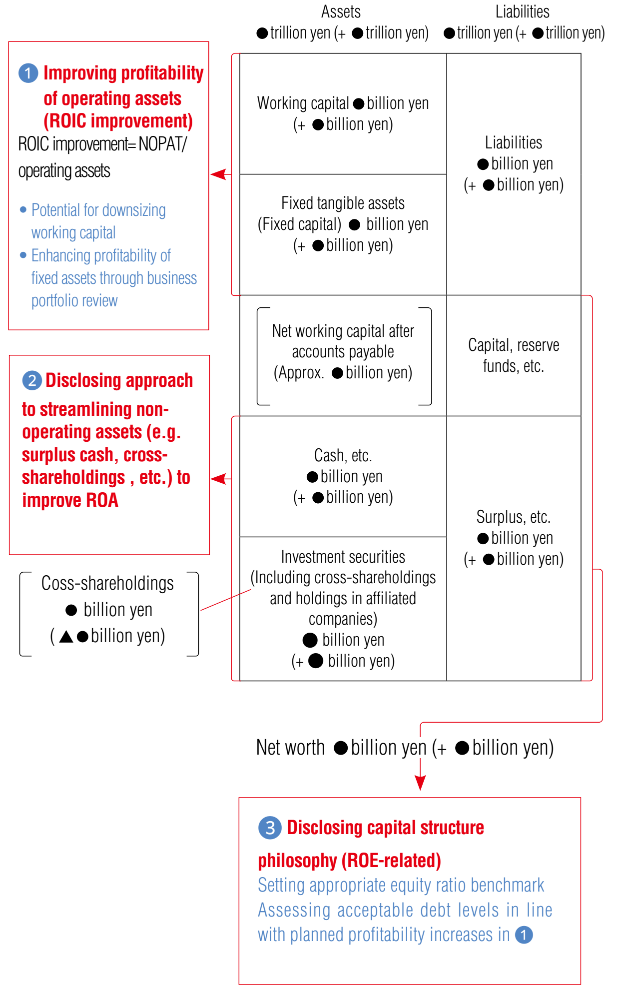
3

$$\text{PBR}=1+\frac{\text{(1) ROE} - \text{(2) Cost of equity (r)}}{\text{(2) Cost of equity (r)} - \text{(3) Expected growth rate (g)}}$$

Relation to dialogue themes

(1) Enhancing profitability (ROE)	● Improving profitability of operating assets (ROIC) ● Examining potential to streamline non-operating assets ● Rethinking approach to capital structure
(2) Reducing cost of equity (r)	● Enhancing disclosure of investor-relevant matters to reduce information gaps ● Stabilizing operating profits ● Promoting business sustainability (sustainability initiatives)
(3) Increasing expected growth rate (g)	● Fostering shareholder confidence in mid- to long-term growth strategies (e.g. R&D investment, capital expenditures, investment in human capital, etc.)

Example with a manufacturer



Examples of Dialogue Themes

Here, we introduce specific examples of dialogues on themes that we consider particularly important.

G Governance

Profitability & Capital Efficiency, etc.

We confirm that our investee companies are working to sustainably enhance corporate value and achieve ROE that exceeds the cost of capital in the mid- to long-term by strengthening business competitiveness through the execution of their management strategies, while simultaneously creating value for a wide range of stakeholders and improving profitability. Specifically, after reviewing the investee companies' target equity ratio (or financial leverage), we assess their mid- to long-term policies and specific efforts aimed at improving profitability relative to their capital. For investee companies that have not resolved important issues related to the exercise of voting rights over several years, we request initiatives to enhance ROE, focusing not only on profitability but also on asset efficiency (such as asset turnover and reduction of non-performing assets) and capital policy (including appropriate financial leverage).

Governance System

We confirm that the corporate governance of our investee companies is functioning as a foundation for enhancing their mid- to long-term corporate value. For example, as needed, we review the following aspects: the appointment of executives and directors, the status of discussions within the nomination and compensation committees and the board of directors regarding executive remuneration, the effectiveness of independent directors, and the composition of the board from a diversity perspective. Additionally, we examine whether their compliance with the Corporate Governance Code is not merely superficial, and if necessary, we request specific measures to establish a truly effective corporate governance structure.

Regarding scandals at our investee companies, we assess their response through dialogue, focusing on both the evaluation of the incident itself and the post-incident actions. The evaluation of the incident considers quantitative aspects, such as the impact on profits, as well as qualitative aspects, including the presence of legal violations, the nature and severity of the incident, and whether it is a repeat occurrence. The evaluation of post-incident actions includes an investigation into the cause, clarification of accountability, and the progress of measures to prevent recurrence, along with transparency in disclosure and their approach to dialogue. Rather than uniformly opposing director appointment proposals, we prioritize whether the management team, including directors, responds sincerely, including their efforts in post-incident actions.

<Case Study>
Hypotheses on Current PBR Levels Based on Formula and Dialogue on Enhanced Disclosure

Background	We have maintained multi-year dialogue with Energy Company A, focusing on its long-term ROE stagnation. Following improvements in ROE, in FY2024, we shifted the discussion to enhancing PBR (Price-to-Book ratio) .
Dialogue Process	In FY2024, although Energy Company A appeared to secure a sufficient equity spread (ROE minus cost of equity), its PBR remained below 1. Applying the theoretical PBR formula to the company's expected ROE and cost of equity would suggest a PBR above 1, so we discussed potential factors suppressing the market valuation. We presented several hypotheses: (1) the market may expect Energy Company A's ROE to decline in the future, (2) the actual cost of equity may be higher than recognized, meaning the equity spread is not fully secured, and (3) core facilities could become stranded assets due to carbon-neutral initiatives, potentially leading to future impairments and a discounted stock price. Energy Company A acknowledged that the market is discounting its stock due to uncertainty over the restart timing of idle core facilities, and that restarting these facilities is a top management priority. They also recognized room to better communicate to investors that profits continue even while these facilities are idle, and we proposed highlighting growth in sales volumes contributing to top-line growth.
Results and Future Policy	We will continue dialogue while monitoring the restart of core facilities and support initiatives aimed at enhancing corporate value.

Market valuation below 1

$$\text{PBR}=1+\frac{\text{ROE} - \text{Cost of Equity (r)}}{\text{Cost of Equity (r)} - \text{Expected Growth Rate (g)}}$$

If (ROE – Cost of Equity) is positive, the PBR should theoretically be above 1

Gap in perception between the market and the company

E Environmental Responsibilities

Nippon Life believes that balancing economic growth with the global environment is essential to maintaining the sustainability of the society on which corporate activities depend. Accordingly, we engage with investee companies to confirm their recognition of environmental issues that may affect their mid- to long-term corporate value, as well as their initiatives to address risks and seize new business opportunities.

In 2024, while continuing discussions on climate change, we have also started dialogue on natural capital, a theme attracting growing attention following the publication of the TNFD (Taskforce on Nature-related Financial Disclosures) reporting framework in September 2023.

1. Climate Change

Requests to companies

Added in 2022 Target: 78 top emitters of Scope 1+2 emissions

▶ Formulation and disclosure of reduction roadmaps toward net-zero emissions by 2050

Added in 2023 Target: 49 top emitters of Scope 3 emissions

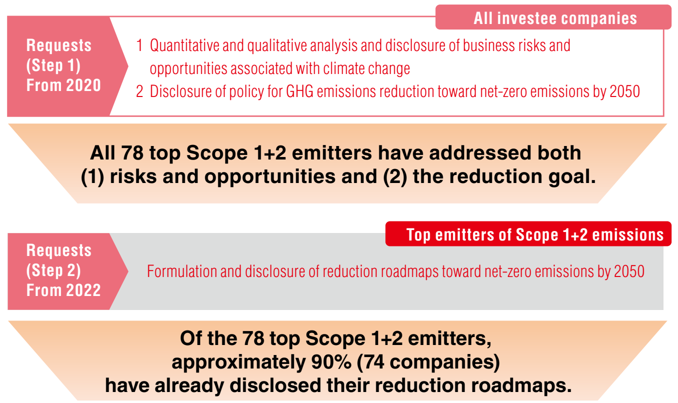
▶ Disclosure of efforts to reduce Scope 3 emissions

Dialogue with Top Emitters of Scope 1+2 Emissions (Direct Emissions)

Reinforcing the Request for Climate Change-Related Disclosure

Regarding the theme of climate change, we have consistently strengthened our requests for disclosure from companies. Since 2020, we have asked all our investee companies to (1) analyze and disclose the business risks and opportunities associated with climate change, and (2) disclose their policy for GHG emissions reduction toward net-zero emissions by 2050.

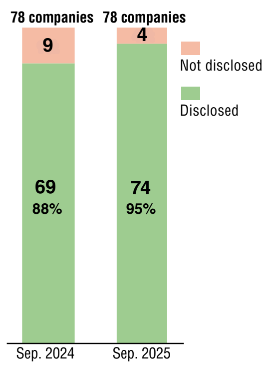
In addition, since 2022, we have requested that the 78 top emitters of Scope 1 and 2, which account for approximately 80% of emissions from all investee companies, formulate and disclose reduction roadmaps toward net-zero emissions by 2050.



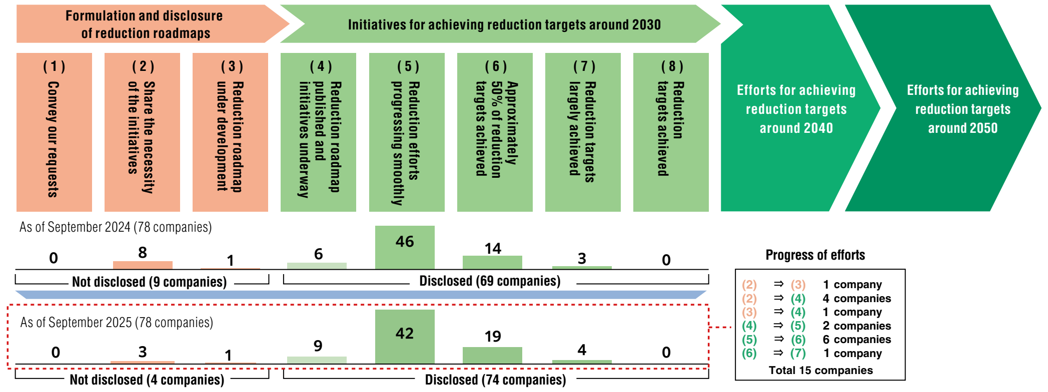
Status of Corporate Efforts and Future Dialogue Policy: Top Emitters of Scope 1+2 Emissions

Currently, of the 78 top Scope 1+2 emitters, approximately 90% (74 companies) have disclosed their reduction roadmaps. We believe this reflects both an increased awareness among companies and the results of our previous dialogues with them. In addition, the total GHG emissions of these major emitters have decreased by about 17%, from 890 million tons in fiscal 2018 to 740 million tons in fiscal 2023.For the remaining 4 companies that have not disclosed their roadmaps, we have confirmed through dialogue that they are sincerely addressing decarbonization challenges and are actively considering the issue. We will continue engaging in dialogue with these companies and encourage them to disclose their roadmaps moving forward.

Disclosure Status of Reduction Roadmaps



Status of Initiatives by 78 Top Emitters

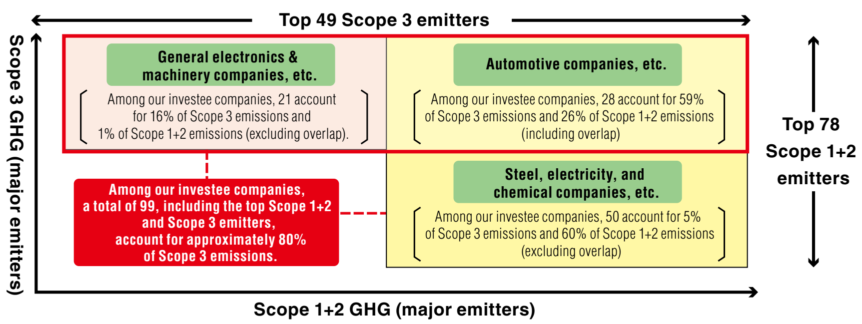


Dialogue with Top Emitters of Scope 3 Emissions

Status of Corporate Efforts and Future Dialogue Policy: Top Emitters of Scope 3 Emissions

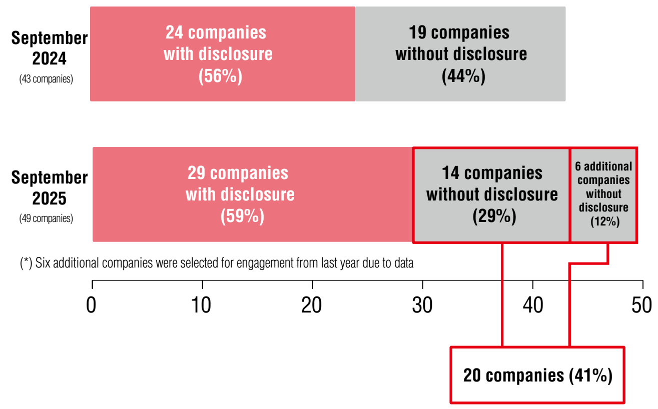
Since September 2023, we have requested the top 49 emitters of Scope 3 emissions to disclose their efforts for reducing emissions from business partners related to their own businesses.

Dialogue targets



Among the top 49 Scope 3 emitters, approximately 60% (29 companies) have disclosed their efforts to reduce emissions, but only 5 companies have newly disclosed such efforts over the past year. Compared to Scope 1+2 emissions, which can be managed within a company's own operations, Scope 3 reduction is more challenging as it requires initiatives across the entire supply chain. Consequently, some companies we engage with have recognized the difficulty of managing supplier emission reductions while implementing internal measures to balance business expansion with Scope 3 reductions. Taking their situation into account, we will encourage emission reduction initiatives and disclosures by introducing best practices from both upstream and downstream parts of the supply chain.

Progress & Results of Disclosure for Scope 3 Emissions



2. Natural Capital

Requests to companies

Added in 2024

▶ Through dialogue, we support each company in gradually enhancing their initiatives and disclosures while collecting information and sharing best practices from other companies. (Especially to encourage disclosure and actions in areas closely linked to corporate value.)

Trends surrounding natural capital

Since the establishment of the TNFD in 2021, discussions on natural capital disclosure have progressed, and TNFD published the final version of its disclosure framework in September 2023.

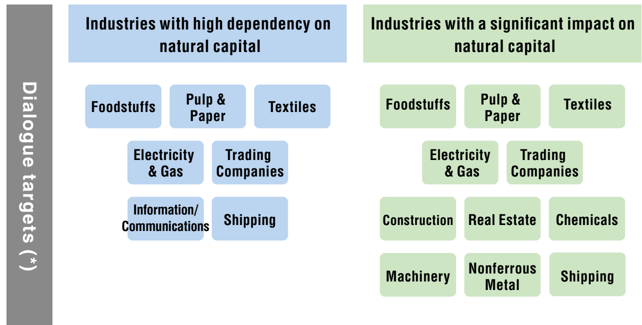
Our views on the relationship between natural capital and corporate value assessment

We view natural capital as a crucial non-financial capital in corporate activities and a key factor in assessing corporate value. Specifically, for companies highly dependent on natural capital, building sustainable and resilient value chains (procurement and production) is important for enhancing corporate value. For companies that have a significant impact on natural capital, efforts to mitigate negative impacts are essential to reducing the risk of both direct and indirect impairment to their corporate value.

Status of investee company initiatives and future dialogue policy

Since September 2024, using the TNFD-recommended analysis tool "ENCORE," we have engaged with 39 companies in which we hold significant stakes and that belong to industries highly dependent on or having a significant impact on natural capital. Through these dialogues, we support each company in gradually enhancing their initiatives and disclosures, while collecting information and sharing best practices.

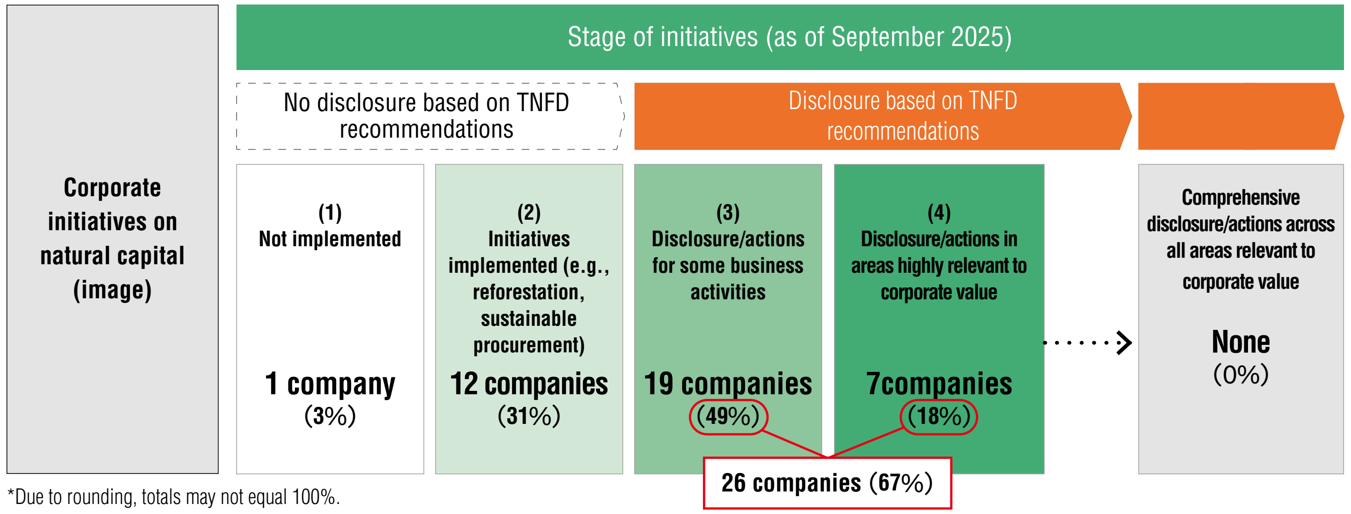
Currently, among the 39 companies that we are engaging on the theme of natural capital, approximately 70% (26 companies) have already made disclosures or taken actions based on the TNFD recommendations and related frameworks. However, only about 20% (7 companies) have addressed areas closely linked to corporate value, and no company covers all relevant areas comprehensively. These 7 companies appear to be disclosing information in line with frameworks such as TNFD, building on past measures such as environmental assessments in areas like raw material procurement and infrastructure. However, they recognize that further analysis, disclosure, and action would impose a burden, making it challenging to expand initiatives tied to corporate value. Other companies conducting TNFD-based analyses report challenges such as the lack of a single evaluation metric (e.g., GHG emissions), difficulty raising natural capital awareness across the supply chain, and the complexity of assessing overall dependence on and impact on natural capital for companies with diverse operations across multiple industries.



(*) Selected industries for dialogue targets based on the TNFD-recommended analysis tool "ENCORE."

Based on these challenges and corporate initiatives, we will continue collecting information and sharing best practices through dialogue, especially encouraging gradual disclosure and actions in areas closely linked to corporate value. In the future, we also plan to organize and systematize requests from the perspective of enhancing corporate value.

Status of Initiatives by Companies Engaged on Natural Capital



*Due to rounding, totals may not equal 100%.

Company	Areas Relevant to Corporate Value	Example of Analysis	Measures for Nature-related Issues	Feedback from Companies Disclosing/Acting Based on TNFD Recommendations
• Foodstuff Producer B • Foodstuff Producer C • Pulp & Paper Company D • Housing Company E	Raw material procurement	• Conducted LEAP analysis for essential raw materials in business strategy	• Established systems to monitor sustainability of cultivation processes, etc.	• Companies recognize that analysis and disclosure impose a higher-than-expected burden, and further efforts would create additional workload.
• ICT Company F • ICT Company G • Energy Company H	Infrastructure installation	• Analyzed dependence on and impact on natural capital associated with infrastructure installation	• Nature-conscious design of communication cable routes • Environmental assessments	

S Social Responsibilities

In general, for companies to maintain mid- to long-term competitive advantage and sustainable business models, it is essential to build win-win relationships with all stakeholders, not just shareholders, but also employees, business partners, customers, and local communities.

We require our investee companies to aim for coexistence with all stakeholders, with the expectation that their activities will directly or indirectly contribute to solving social issues, thereby creating a positive cycle that provides value to society. From this perspective, we will assess how investee companies address social challenges, incorporate them into their management strategies, and build relationships with each stakeholder.

3.Human Rights

Requests to companies

Added in 2023

▶ **We request action and disclosure from companies without confirmed human rights policies or due diligence implementation.**

Trends Surrounding Human Rights

In September 2022, the Japanese government issued guidelines urging all companies to make every possible effort to respect human rights. In addition to enabling companies to fulfill their social responsibilities, initiatives on human rights have become a significant factor that can greatly influence corporate value.

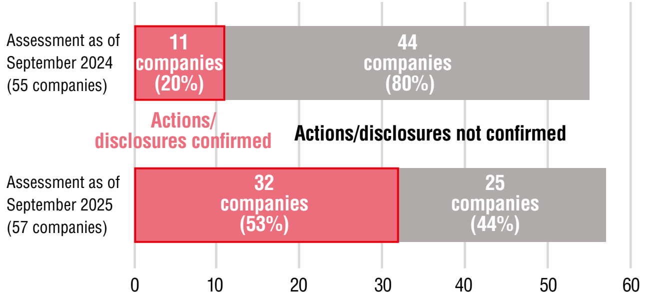
Status of Investee Company Initiatives and Future Dialogue Policy

Since September 2023, we have requested that all investee companies establish a human rights policy and conduct human rights due diligence. As a first step, we selected 150 companies in which we hold significant stakes as initial engagement targets. We have already confirmed action and disclosure at approximately 100 of these companies. For the remaining roughly 50, we are engaging in dialogue to request further action and disclosure. Among those whose action or disclosure has not yet been confirmed, most have already established a human rights policy, but we have not been able to confirm the implementation of human rights due diligence.

As of September 2025, approximately 60% of the 57 companies we have engaged with have taken action or made disclosures, with 21 companies making progress over the past year. Some companies have even advanced their initiatives by positioning respect for human rights as a material issue, analyzing survey results from key business partners to identify human rights risks, and sharing the results with them. However, we are still unable to confirm the requested actions or disclosures at the remaining 40% of companies.

Recognizing that human rights initiatives can affect management and governance, we will continue to request action and disclosure while supporting a gradual approach for companies where the implementation or disclosure of human rights due diligence has not yet been confirmed.

Status of Investee Company Initiatives Related to Human Rights and Future Dialogue Policy



Status of engagement with companies:
- Among the 57 companies engaged, initiatives on human rights policies and human rights due diligence were confirmed for 32 companies.
- For the remaining 25 companies, we confirmed that they are supportive of future action and disclosure.

Future Dialogue Policy	**Recognizing that human rights initiatives can also affect management and governance, we will continue to request action and disclosure, while supporting a gradual approach for companies where the implementation or disclosure of human rights due diligence has not yet been confirmed.**

4.Human Capital

Requests to companies

Added in 2023

▶ **We request that companies formulate and disclose a human resources strategy that is integrated with the management strategy (includes human resources development/acquisition, KPI setting, and human resources allocation/utilization methods) in the mid-term management plan or other documents.**

Our Views

Human capital is a form of non-financial capital that does not appear on financial balance sheets, yet it is an important factor in assessing corporate value across all industries. Therefore, we believe that proactive disclosure by companies will enable investors to appropriately evaluate this value.

Status of Investee Company Initiatives and Future Dialogue Policy

We classify initiatives focused on human capital into three categories: "initiatives common to all companies," "initiatives tailored to the industry," and "initiatives linked to individual companies' management strategies." We place particular emphasis on initiatives tailored to the industry and individual companies' strategies, confirming them through dialogue. As a result, we were able to verify such initiatives at approximately 60% of the companies with which we engaged on human capital. Notably, around 20% of these companies have disclosed human resources strategies integrated with management strategies, such as their medium-term management plans, and some have disclosed and implemented strategies aligned with management strategy over multiple years and through cross-departmental collaboration. By sharing best practices and providing additional support, we received positive feedback from companies, including comments such as, "We gained valuable insights" and "We would like to use this to enhance our future human resources strategies." Going forward, we will continue to gather and share best practices and request that all companies with which we engage formulate and disclose human resources strategies integrated with their medium-term management plans.

Best Practices in Human Resources Strategy Integrated with Management Strategy

Companies exemplifying best practices in integrating human resources with management strategy typically formulate and disclose a strategy that includes three elements: (1) alignment between management and human resources strategies, (2) policies and initiatives for talent development, acquisition, allocation, and utilization, and (3) the setting and management of KPIs.

Best Practices in Human Resources Strategy Integrated with Management Strategy			Automobile Manufacturer I
	Company Status		• Global acceleration of electrification driven by carbon neutrality and related trends
	Major Items in Management Strategy		• Business transformation centered on "electrification" and "smartification" (e.g., autonomous driving)
	Human resources strategy	(1) Alignment	Ensuring the quantity and quality of talent in key business areas Encouraging employees' intrinsic motivation and integrating diverse talent
		(2) Development, acquisition, allocation, and utilization	• Creation of a talent portfolio for priority areas aligned with business strategy, definition of resource management processes, formulation of staffing strategies, and securing talent • Unprecedented investments in talent development to secure talent in priority areas and achieve top-level technological advantages in new domains • Exchange sessions in which the company president directly explains the background and process behind company-wide announcements on management policies, fostering employee understanding, empathy, and ownership
		(3) KPIs (for medium-term management plan)	• Talent fulfillment rate in priority areas (software domain) • Employee engagement score, etc.

Collaborative Engagement

Activities at the Life Insurance Association of Japan

We regularly serve as the chair company of the Stewardship Activity Working Group of the Life Insurance Association of Japan and actively participate in managing the collaborative engagement led by the working group, which began in FY2017. In this engagement, we gradually expand the themes we request investee companies to address, reflecting changes in societal expectations and the perspective of life insurance companies as institutional investors. Through repeated discussions with other member companies, we share our experience and aim to broaden the reach of initiatives that positively impact society. For example, for dialogue themes we pursue independently but consider especially important for society, we encourage collaboration among Association members and jointly send letters to investee companies under the Association's name, thereby more effectively supporting their initiatives.

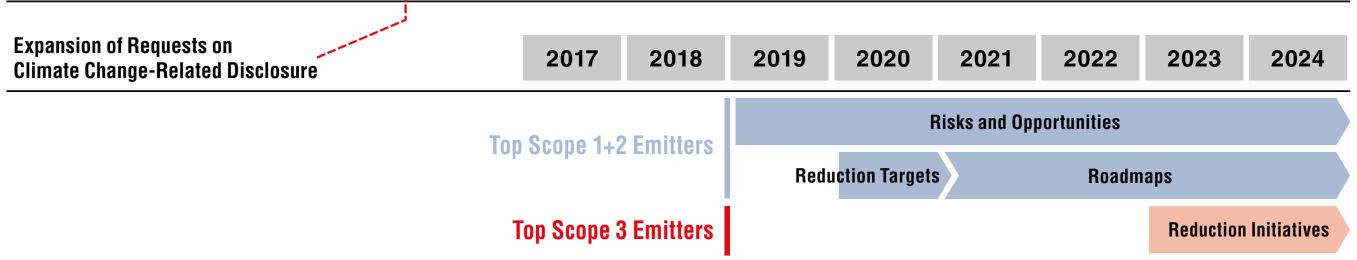
Taking into account survey results for both companies and investors, including gaps in perception between the two, the Association has focused on three main themes: (1) enhancing shareholder returns, (2) promoting integrated disclosure including ESG information, and (3) enhancing climate change-related disclosure. In FY2024 (December 2024–November 2025), a new theme was added: disclosure of actions toward management conscious of cost of capital and stock price.

Based on these surveys, the Association has continuously recommended that companies set ROE targets reflecting their cost of capital. In the 2024 survey, roughly half of investors still indicated that Japanese companies' ROE and other capital profitability metrics remain below their cost of capital, showing there is still significant room for improvement in corporate action and disclosure. In March 2023, the Tokyo Stock Exchange requested that companies listed on the Prime and Standard markets take steps to implement management conscious of cost of capital and stock price. According to surveys, approximately 90% of investors evaluated company responses and disclosures to this request positively; however, some companies still have insufficient disclosure. In this context, the Association has newly begun requesting that companies with a market capitalization of 100 billion yen or more and a PBR below 1 on the TSE Prime or Standard markets, whose disclosure in line with the TSE's request cannot yet be confirmed, analyze and evaluate their current cost of capital and capital profitability, and formulate and disclose plans for improvement. Through these efforts, we aim to further support initiatives and disclosures that enhance corporate value.

Progress of Collaborative Engagement

(Companies)

		2017	2018	2019	2020	2021	2022	2023	2024
Capital Policy and Governance	Shareholder Returns	45	48	67	64	63	57	53	32
	Added Management Conscious of Cost of Capital and Stock Price	---	---	---	---	---	---	---	11
Enhancing Disclosure of ESG Information	Integrated Disclosure	---	64	65	64	59	47	38	32
	Enhancing Disclosure Related to Climate Change	---	---	17	50	52	52	64	71
Total Collaborative Engagement		45	112	149	178	174	156	155	146



Initiatives in FY2023 (December 2023–November 2024)

Discussion Theme	Companies Receiving Letter	Target Companies & Requests	Start Period
Enhancing Shareholder Returns	53	We requested companies with a dividend payout ratio (DPR) of less than 30% over the past 10 years, a high equity ratio, and poor investment performance to enhance shareholder returns, aiming for a DPR of 30%.	FY2017
Integrated Disclosure	38	We requested companies among the top 300 by market capitalization that lack integrated disclosure, including ESG information, to provide such disclosure.	FY2018
Enhancing Disclosure Related to Climate Change	64	We requested the top 50 GHG emitters to (1) disclose quantitative and qualitative analyses of business risks and opportunities associated with climate change and (2) formulate and disclose reduction roadmaps toward net zero emissions by 2050.	FY2019
		We requested that the top 20 companies with the highest greenhouse gas (Scope 3) emissions disclose their initiatives for Scope 3 reduction.	FY2023
Total	155		

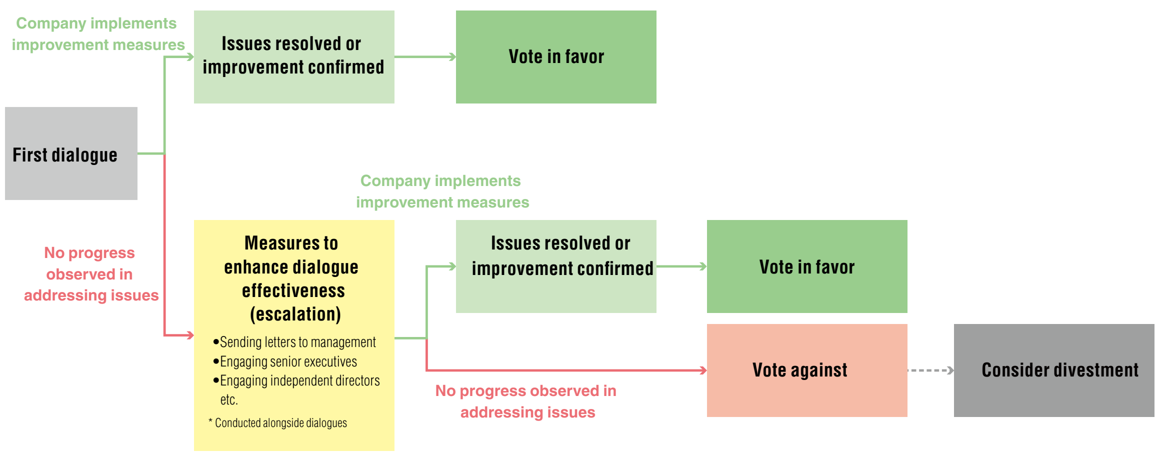
Measures to Enhance Dialogue Effectiveness (Escalation)

As we review the progress of our dialogues, we implement various measures to increase their effectiveness (escalation), such as sending letters to management and having discussions with senior executives and independent directors.

Through these activities, we aim to ensure that our perspectives are effectively instilled in the management and directors responsible for governance at investee companies. If companies fail to respond or show no signs of improvement over the mid- to long-term, we may leverage our voting rights. For example, in the case of climate change risk-related themes, if companies do not take specific actions to address these concerns despite multiple years of dialogue, we will consider voting against director appointment proposals.

Through these escalation efforts to enhance dialogue effectiveness, we will support investee companies' initiatives as a responsible institutional investor, while maintaining a win-win relationship with them.

Flow of Measures to Enhance Dialogue Effectiveness (Escalation)



Examples of Escalation

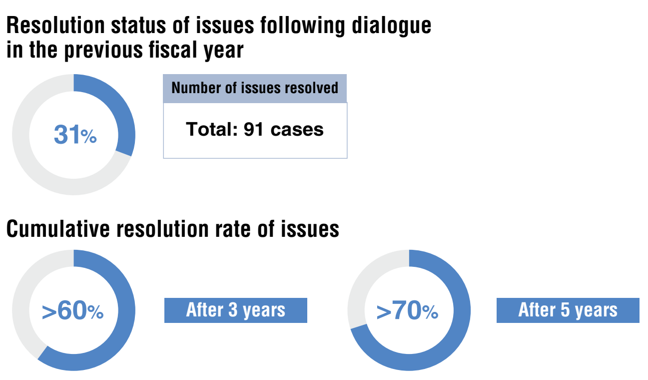
Initiatives	Content
Sending letters to management	If there are important issues that conflict with our Guidelines for Exercise of Voting Rights, we will send letters to management.
Discussions with senior executives	Expanding dialogue to senior executives
Discussions with independent directors	Expanding dialogue to independent directors, who are part of the main governance body
Exercise of voting rights	If we are unable to share our awareness of issues and find that improvements are unlikely, or if there is no significant improvement over the mid- to long-term, we will vote against company proposals or support related shareholder proposals.
Divestment	If we determine that the important issues cannot be resolved, we will sell some or all of our holdings of equities, corporate bonds, etc.

Resolution Status of Important Issues Related to the Exercise of Voting Rights

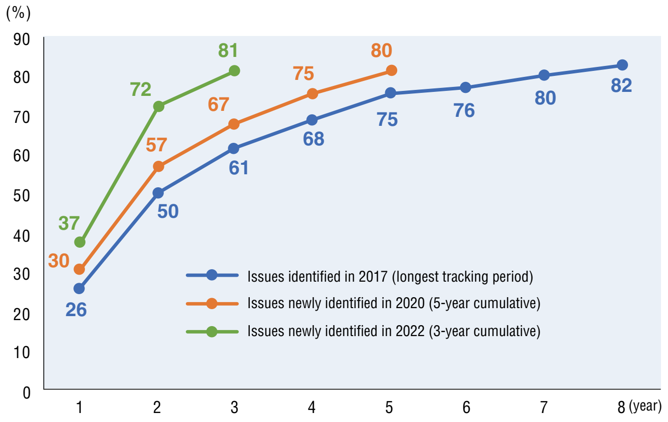
In order to monitor the effectiveness of dialogue and other stewardship activities, we continuously confirm the progress toward resolving important issues by categorizing cases as follows: (1) cases where important issues have been resolved through dialogue (including escalation efforts); (2) cases where companies have publicly announced improvement measures as a result of dialogue; (3) cases where we confirmed the company's improvement measures/intentions through dialogue; and (4) cases where improvements are unlikely even after dialogue and we vote against company proposals.

The important issues referred to here are themes selected in accordance with our Guidelines for Exercise of Voting Rights, including shareholder return and dividend payout ratio, profitability (low ROE), and governance system (independence and low attendance rate of outside directors, protection of minority shareholders' interests, scandals, policy for handling takeovers, etc.).

Status of Resolution of Important Issues



Cumulative resolution rate for all issues



Of the companies that had important issues during FY2024 (July 2024–June 2025), 91 issues (31%) out of 293 were resolved through dialogue that helped share awareness of challenges and confirm progress in corporate initiatives.

While about 30% of important issues are typically resolved within the first year of dialogue, past results show that continued engagement produces greater outcomes over time: more than 60% of issues are resolved after three years and over 70% after five. In recent years, this resolution rate has further improved, aided by rising corporate awareness and better business conditions.

Our Policy for Engagement in the Current Fiscal Year

We will continue to conduct engagement grounded in mutual trust, which forms the foundation of our stewardship activities, while focusing mainly on the following points.

- Prompted by the Tokyo Stock Exchange's request for companies to implement management conscious of capital costs and stock prices, listed companies have increasingly focused on capital efficiency and stock performance, such as ROE and PBR, and have enhanced their disclosures and initiatives. Improving profitability is key to sustainable corporate value, and companies are expected to allocate capital appropriately across growth investments, including capital expenditures and human capital, to strengthen their earning power. As a long-term investor, we aim to support these efforts toward sustainable growth through dialogue.
- Companies are expected to address a wide range of environmental (E) and social (S) responsibilities, not only within their own operations but also across their supply chains. Some companies, however, face challenges in prioritizing these broad responsibilities. Therefore, we believe it is important to advance E and S initiatives in a prioritized manner, considering their impact on corporate value, and we aim to support gradual efforts in areas most closely linked to corporate value.
- Additionally, as strengthening board functions becomes a key theme in corporate governance reform, the role of independent outside directors overseeing the executive side is increasingly important. For example, by gradually increasing dialogue with independent directors, we will confirm whether the board is engaging in discussions on value-creation strategies, contin-uous review of these strategies, and growth investments.

Our Basic Philosophy on the Exercise of Voting Rights

Our Views on the Exercise of Voting Rights

When exercising voting rights, we do not apply a one-size-fits-all approach; instead, we engage in dialogue while thoroughly assessing each proposal based on the unique circumstances of each company. Our Guidelines for Exercise of Voting Rights are not criteria for uniformly approving or rejecting proposals but rather screening criteria to outline basic approaches and views for selecting companies with which to engage in dialogue. We engage in dialogue with all investee companies that have important issues related to voting rights. If, after these dialogues, we are unable to share our awareness of issues or find that improvements are unlikely, or if there is no significant improvement over the mid- to long-term, we will vote against company proposals or support relevant shareholder proposals.

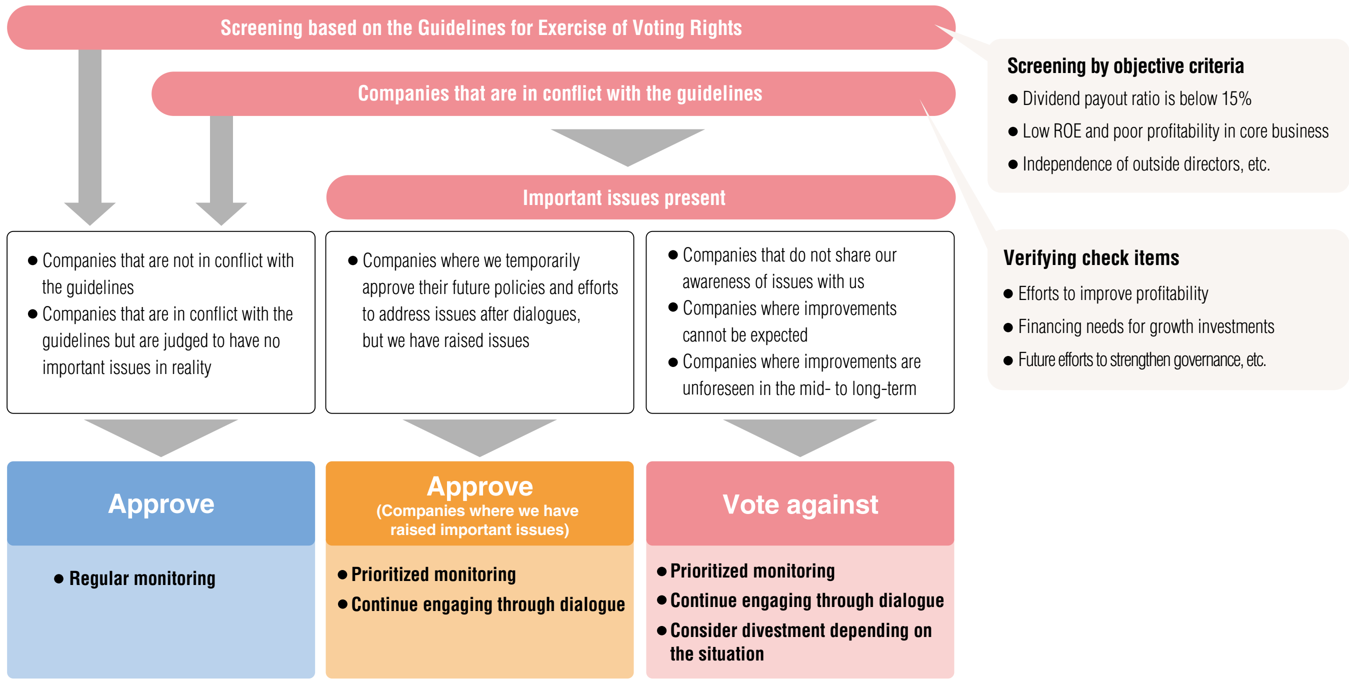
Even when we vote against company proposals, we continue to monitor the situation and engage in follow-up dialogue to resolve the important issues.

Process and Criteria for Exercising Voting Rights

Process for Exercising Voting Rights

To ensure highly effective stewardship activities, we exercise voting rights appropriately on all investee companies based on the following process, using our own judgment without relying on proxy advisory firms.

Voting Process and Decision Making



Standards for Exercising Voting Rights

Views on Approval

For companies that are not in conflict with the Guidelines for Exercise of Voting Rights or, for companies that are in conflict with the guidelines but have shown promising progress based on our assessment of their situation through past dialogue and escalation processes, we will support proposals and then monitor their progress.

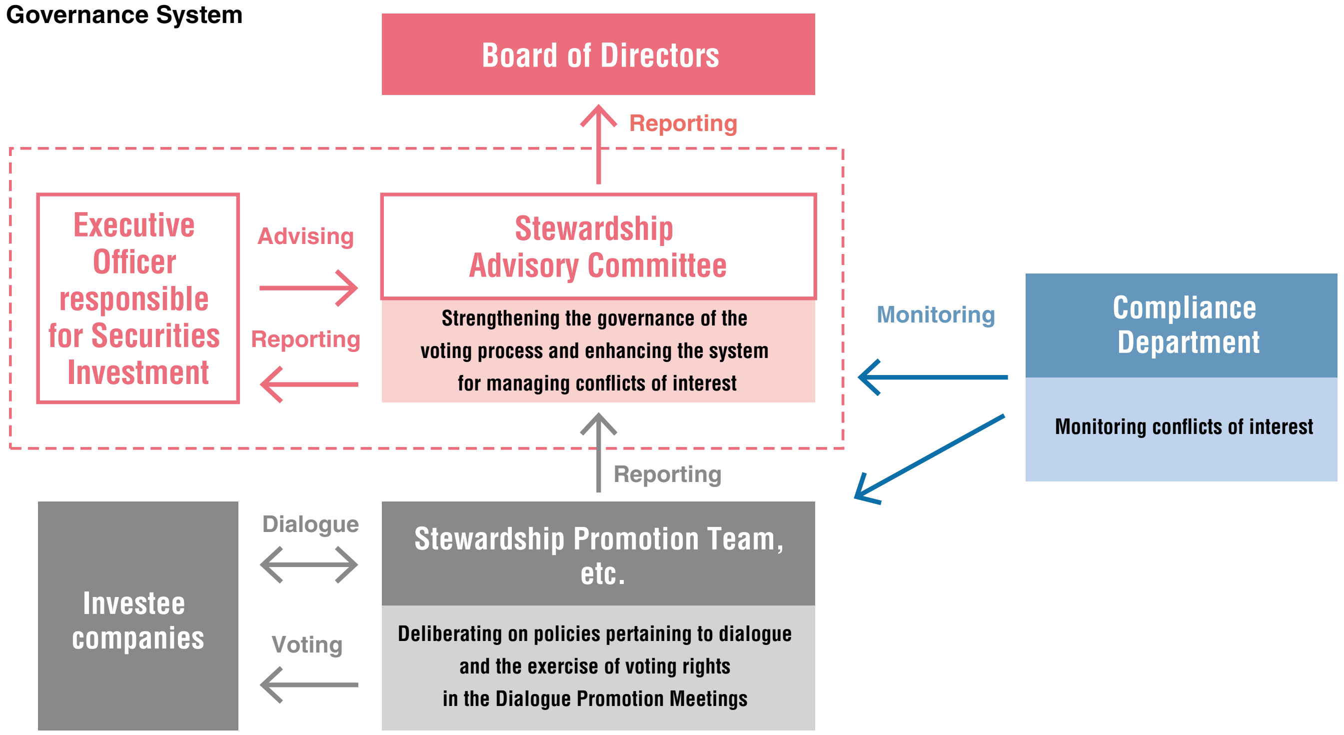
Views on Voting Against Proposals

If, through dialogue with companies, we are unable to share our awareness of the issues or expect no proactive actions, or if, despite sharing our awareness of the issues and the company expressing a commitment to action, no progress is observed over the mid- to long-term, we will oppose the company's proposals or support related shareholder proposals. If no promising progress is expected or observed, we will consider divestment depending on the situation.

Prologue
What is Responsible Investment?
Our Vision
Methods
TCFD/TNFD
External Initiatives
Epilogue

Governance Structures in Our Stewardship Activities

Governance System



Our Stewardship Promotion Team established within the Equity Investment Department takes a lead in our stewardship activities, engaging in dialogue with investee companies.
Specifically, we have a total of 20 people engaged in stewardship activities, consisting of a 12-member Stewardship Promotion Team, exclusively dedicated to stewardship, and a 7-member Voting Rights Exercise Team. Additionally, we hold Dialogue Promotion Meetings with the participation of analysts and others to deliberate on policies pertaining to dialogue with investee companies and the exercise of voting rights. In the case of corporate bonds, the team in charge conducts stewardship activities while considering the perspective of corporate bond investments.
In addition, we have established a Stewardship Advisory Committee with a majority of outside members to provide advice on strengthening the governance of the voting process and overall stewardship activities. Its aim is to enhance the management system for exercising voting rights by having preliminary deliberations and reporting from the perspective of conflicts of interest. The results of the Stewardship Advisory Committee meetings are reported to the Board of Directors.

Stewardship Advisory Committee

We established a Stewardship Advisory Committee in May 2017.
In exercising voting rights, we emphasize the importance of proposals from companies who have many insurance contracts with us or those that handle large amounts of insurance-related money as agencies from the perspective of managing conflicts of interest. Among them, for proposals that are in conflict with the Guidelines for Exercise of Voting Rights, the committee conducts preliminary deliberations (See the table on the right for details on the criteria for placing important proposals on the agenda). The committee consists of a majority of outside members who are experts proficient in the theme, providing a variety of advice on our overall stewardship activities.

Overview of Stewardship Advisory Committee (as of September 1, 2025)

Objectives	1. Strengthening the governance of the voting process 2. Receiving advice and opinions on overall stewardship activities
Positioning	An advisory body to the Executive Officer responsible for Securities Investment
Outside members	• Hiroyuki Kansaku*(Professor, Faculty of Law, Gakushuin University) • Satoko Kuwabara (Lawyer, Gaien Partners) • Kazuhiro Takei (Lawyer, Nishimura & Asahi (Gaikokuho Kyodo Jigyo) • Noriyuki Yanagawa (Professor, Graduate School of Economics, Faculty of Economics, The University of Tokyo)
Internal members	• Executive Officer responsible for Securities Investment (Chairman) • Executive Officer responsible for Compliance • General Manager of Finance & Investment Planning Dept.
Advisory matters	• Approval or rejection of important proposals in the exercise of voting rights (preliminary deliberation) – please see below • The draft policy for amending the Guidelines for Exercise of Voting Rights • Stewardship activities policy draft • Results of stewardship activities (Report) **Criteria for placing important proposals on the agenda** (1) Companies raising concerns about conflicts of interest from the perspective of insurance transactions (Top 100 companies which we conduct insurance transactions with or top 10 companies which conduct insurance sales) (2) Companies where our company's executives are concurrently employed (companies where our company's full-time executives serve as outside directors) (3) Other companies deemed necessary from the perspective of conflict of interest, etc. (companies facing high-profile scandals, such as fraudulent accounting practices and disputes among management) ▶ Proposals that fell under one of the three above criteria and were in conflict with the Guidelines for Exercise of Voting Rights
Frequency	Around three meetings per year

*Hiroyuki Kansaku, Professor at the Faculty of Law, Gakushuin University, was newly appointed as an outside director on September 1, 2025, as someone well-versed in corporate law, corporate governance, and stewardship activities.

Main Discussion Topics at the Stewardship Advisory Committee (July 2024–June 2025)

During the Stewardship Advisory Committee meetings held from July 2024 to June 2025, we mainly discussed the themes listed below and received valuable opinions and advice from outside members. In the preliminary review of important proposals, we confirmed that there were no concerns about conflicts of interest in our exercise of voting rights.

Session 23 (Held in September 2024)

Themes	• The content of activity reports and the revision of the Guidelines for Exercise of Voting Rights • Stewardship activities for domestic corporate bonds • Voting results • Verification of conflicts of interest
Discussions	• We discussed the draft of the Stewardship Activity Report 2024, the revision of the Guidelines for Exercise of Voting Rights, dialogues on environmental (E) and social (S) themes, and the progress on stewardship activities for domestic corporate bonds, receiving a wide range of opinions from outside members. • We scrutinized whether our voting impacts insurance and other transactions and reported the results from the perspective of managing conflicts of interest.

Session 24 (February 2025, conducted in writing)

Themes	• Our policy for responding to important proposals
Discussions	• We confirmed that our voting decisions were reasonable and that there were no votes suspected of involving conflicts of interest.

Session 25 (Held in March 2025)

Themes	• Our policy for responding to important proposals • Our policy for enhancing dialogues on environmental (E) and social (S) themes • Enhancing outreach to prepare for further evolution of stewardship activities
Discussions	• We confirmed that our voting decisions were reasonable and that there were no votes suspected of involving conflicts of interest. • We discussed the policy for enhancing dialogues on environmental (E) and social (S) themes, receiving a wide range of opinions from outside members on key dialogue themes: climate change, human rights, human capital, and natural capital. • We discussed enhancing outreach to prepare for the further evolution of our stewardship activities, receiving a wide range of opinions from outside members on the roles our company should play as an institutional investor.

Session 26 (Held in June 2025)

Themes	• Our policy for responding to important proposals • Our policy for responding to Stewardship Code revisions
Discussions	• We confirmed that our voting decisions were reasonable and that there were no votes suspected of involving conflicts of interest. • We discussed dialogues with companies with low ROEs and dividends, involved in scandals, and sectors facing issues, receiving a wide range of opinions from outside members.

Response to the TCFD and TNFD Recommendations

As global warming continues, natural disasters are increasingly being observed around the world, making climate change an urgent global issue. At the same time, the need to address natural capital-related issues, such as plastic pollution in the oceans and the destruction of ecosystems, is becoming more pressing. This section will outline our approaches to climate change and natural capital within the asset management field, based on the frameworks published by the TCFD and the TNFD.
(Please visit our website to learn about our initiatives in the insurance business).

TCFD/TNFD Disclosure Framework

		TCFD	TNFD
Characteristics	Target	Climate change risks	Nature-related risks
	Nature area	Climate change, especially atmosphere-related	Land, ocean, freshwater, atmosphere
Disclosure framework items	Framework aspects	"Governance" "Strategy" "Risk Management" "Metrics and Targets"	"Governance" "Strategy" "Risk and Impact Management"*1 "Metrics and Targets"
	Governance	Disclose organizational governance relating to risks and opportunities	Disclose organizational governance relating to risks and opportunities ● Human rights policy, considerations regarding human rights, and responses to indigenous peoples and community residents
	Strategy	Risks and opportunities (single materiality*2)	● Risks and opportunities, dependencies and impacts (use of double materiality also possible*3) ● LEAP Approach (location specification)
	Risk management	Risk management	● Management of risks and impacts ● Priority setting
	Metrics and Targets	CO_2/GHG emissions	● 18 core global disclosure metrics*4 related to risks and opportunities (land, freshwater, and seawater use, pollutants, air pollution, etc.) ● Additional global disclosure metrics (nature protection activities, etc.)

*1 We focus on location-specific differences, as the nature and biodiversity situation varies depending on the location.
*2 "Environmental impacts on companies" only
*3 Recognizes the two aspects of "environmental impacts on companies" and "companies' impacts on the environment"
*4 By sector or by region (country, biome, ecosystem, etc.)

Governance and Risk Management

Please see page 11 for details on governance. We take an integrated approach to risk management, comprehensively managing the impact that various risks, including climate change, could have on the company. For details on top risks and risk management, please see pages 104–105 and page 125 of our Nippon Life Integrated Report 2025.
[Nippon Life Integrated Report 2025]
https://www.nissay.co.jp/global/report/pdf/2025_Integrated_Report.pdf

Risk Analysis Related to Climate Change

We analyze the impacts of climate change on our business using the NGFS scenarios, which are designed for central banks, supervisory authorities, and financial institutions to assess the impacts of climate-related financial risks.

NGFS scenarios

Category	Scenario name	Temperature targets	Scenario overview
Orderly	Low Demand	1.4℃	Pressure on the economic system on the path to achieving net zero by 2050 is reduced due to lower energy demand and the introduction of new technologies.
	Net Zero 2050	1.4℃	Restrict temperature rises to 1.5°C or less with smooth emissions reduction policies and innovations
	Below 2℃	1.7℃	Restrict global warming to 2°C or less with increases in the stringency of emissions reduction policies
Disorderly	Delayed Transition	1.7℃	As annual emissions will not decrease until 2030, strict policies will be implemented to restrict global warming to 2°C or less
Too-little too-late	Fragmented World	2.3℃	The achievement rate among countries with net-zero targets remains at 80% due to delays in climate policy and geopolitical fragmentation.
Hot house world	NDCs	2.4℃	Assume that policies committed to by each country under the Paris Agreement (including those not implemented at the moment) will be implemented

Scope of scenario analysis

Risks		Overview	Measurement logic
Transition risks	Policy risks	Costs that come with policy changes and strengthened regulations	Estimates future costs for reducing GHG emissions based on carbon prices and makes a tentative calculation on the impact of the current value of these future costs on market value
	Technological opportunities	Income opportunities that come with emerging low carbon technology and similar developments	Estimates future profit based on the company's low-carbon technology patents and other factors
Physical risks (opportunities)		Costs and opportunities brought about by natural disasters and similar incidents	Tentatively calculates the potential loss by considering the company's assets, location, probability of disaster occurrence, etc.

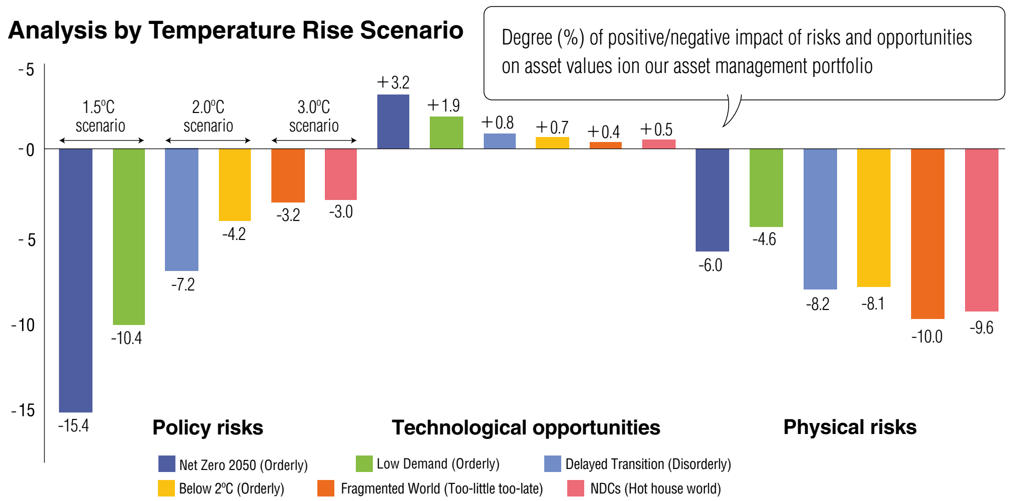
As a means of measuring the risks and opportunities in our asset management portfolio*1 brought about by climate change, we conducted analyses using Climate Value-at-Risk (CVaR)*2, provided by MSCI, based on NGFS scenarios.

*1: Calculated for domestic and overseas stocks and domestic and overseas corporate bonds in the Nippon Life portfolio
*2: CVaR evaluates the impact (risks and opportunities) on the value of company assets due to climate change. Analyzing three factors, that is, "policy risks" (transition risks), which come with policy changes and strengthened regulations, "technological opportunities," which come with emerging low-carbon technology and similar developments, and "physical risks," which are brought about by natural disasters and similar incidents, makes it possible to quantitatively ascertain the risks and opportunities in our asset management portfolio that are brought about by climate change.

Analysis Using CVaR

We analyzed how climate change would impact our asset management portfolio by using CVaR. The analysis by temperature rise scenario showed that for policy risks and technological opportunities, there would be a greater impact on asset values in scenarios with limited temperature rise, while physical risks would tend to increase in scenarios with greater temperature rise.

Analysis by Temperature Rise Scenario

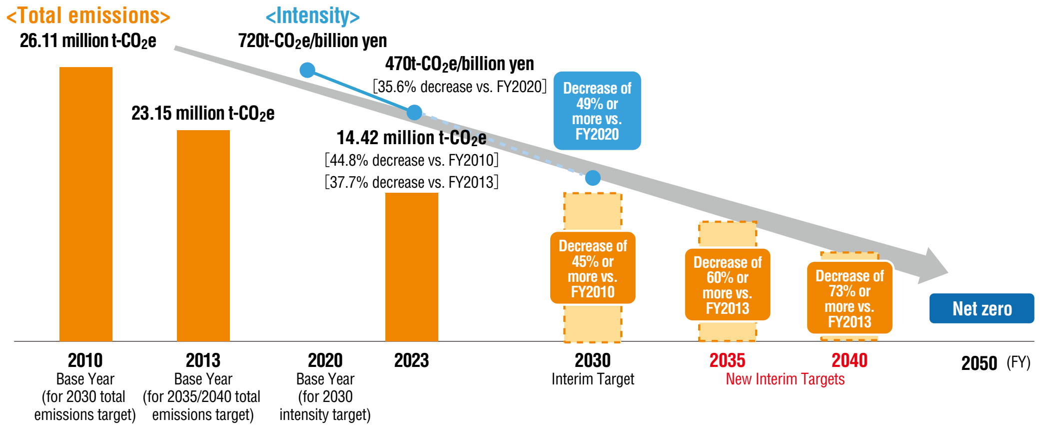


Note: *The data of the asset-management-related greenhouse gas emissions of investee companies presented in this report have been obtained and calculated using a service provided by MSCI ESG Research LLC. As these figures rely on the data from external vendors, Nippon Life does not guarantee their accuracy.

Going forward, we will support investee companies through integration and engagement in order to address climate change-related risks and opportunities. Given that quantitative models for climate change, such as CVaR, are still evolving based on the latest research, we will continue to research and analyze risk assessment methods.

Metrics and Targets

We aim to achieve net-zero GHG emissions in our asset management portfolio by FY2050. To steadily advance our efforts, we have established new interim targets for FY2035 and FY2040 (total emissions), in addition to the existing interim targets for FY2030. Total emissions in FY2023 were approximately 14.42 million t-CO_2e (44.8% decrease vs. FY2010, 37.7% decrease vs. FY2013), while intensity was approximately 470 t-CO_2e/billion yen (35.6% decrease vs. FY2020). We will continue to work on reducing emissions.



Total Emissions: Greenhouse gas emissions from investees belonging to the portfolio, measured in t-CO_2e (CO_2 equivalent)

$$\text{Total emissions} = \sum_{i=1}^{n} \left[\text{Emissions of the investees}\ i \times \frac{\text{Investment amount}\ i}{\text{Corporate value}\ i} \right]$$

(Market capitalization + interest-bearing debt)

Intensity: Greenhouse gas emissions per unit of portfolio. The unit is t-CO_2e/billion yen

$$\text{Intensity} = \frac{\text{Total emissions}}{\text{Total investment amount}}$$

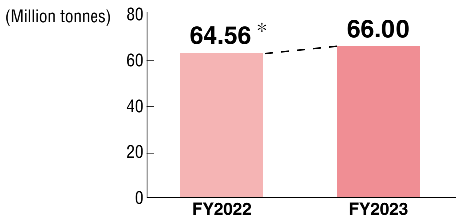
- Covers Scope 1 and 2 emissions of domestic and overseas listed equities, domestic and overseas corporate bonds, and real estate. Equities and bonds include those invested through mutual funds.
- In principle, the measurement is conducted in accordance with the methodology provided by PCAF.
- The measurement employs figures announced by companies, data provided by MSCI and Bloomberg, and estimated figures. The emissions figures may be recalculated in the future to reflect factors such as revisions in the figures announced by companies and other data and changes in calculation methods.

GHG Emissions of the Sovereign Bond Portfolio

In December 2022, the Partnership for Carbon Accounting Financials (PCAF) disclosed a method for measuring the GHG emissions of sovereign bonds. Following this, we began calculating emissions from sovereign bond investments based on the balance at the end of FY2022.

As the measurement method, we multiply each country's emission amount by the ratio of sovereign bond investments against GDP after applying the country's Purchasing Power Parity (PPP) adjustment. Our emissions via sovereign bonds were approximately 66.00 million t-CO_2e as of the end of FY2023, reflecting an increase due to changes in investment amounts. Going forward, as data disclosure from emerging countries and other regions progresses, we will work to further improve the quality of our calculations. At the same time, by reducing emissions at investee companies, we aim to contribute to the emissions reductions of each country. Therefore, from the perspective of reducing GHG emissions associated with sovereign bonds, we will continue to engage in dialogue with investee companies.

* Emissions for each country are based on production-based emissions (excluding land use, land-use change, and forestry) from the open-source datasets PRIMAP and UNFCCC.



*For FY2022 emissions, the calculation method was refined to incorporate a Purchasing Power Parity (PPP) adjustment, and the resulting figure therefore differs from that disclosed last year.

Measurement method

Emissions=

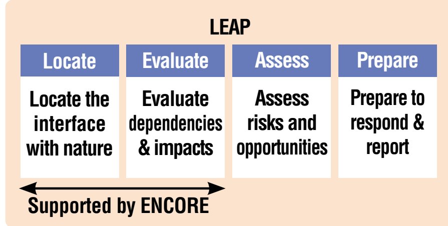
$$\sum_{i=1}^{n} \left(\frac{\text{Investment amount}\ i}{\text{GDP after PPP adjustment}\ i} \times \text{GHG or } CO_2 \text{ emissions}\ i \right)$$

Risk Analysis Related to Natural Capital

In order to understand the relationship between investee companies and natural capital, we have utilized ENCORE, a nature-related risk analysis tool recommended for use by TNFD, to evaluate the degree of dependency and impact of each industry on natural capital.

(1) Overview

The TNFD framework introduces ENCORE as an analytical tool jointly developed by international organizations, such as the Natural Capital Finance Alliance (NCFA), the United Nations Environment Programme, and financial institutions to evaluate the dependencies and impacts of investee companies on natural capital. ENCORE covers the L (Locate) and E (Evaluate) phases of the LEAP approach, an integrative method for evaluating and managing nature-related issues.



(2) Analysis methods

We divided investee companies into 11 sectors and 139 sub-industry groups based on the Global Industry Classification Standard to analyze their dependencies and impacts on natural capital. Each sector's dependency and impact on natural capital is evaluated using a five-grade scale.

Dependencies

1. The ecosystem services on which each sector depends is identified
2. The extent to which each ecosystem service depends on natural capital is evaluated using a five-grade scale

Impacts

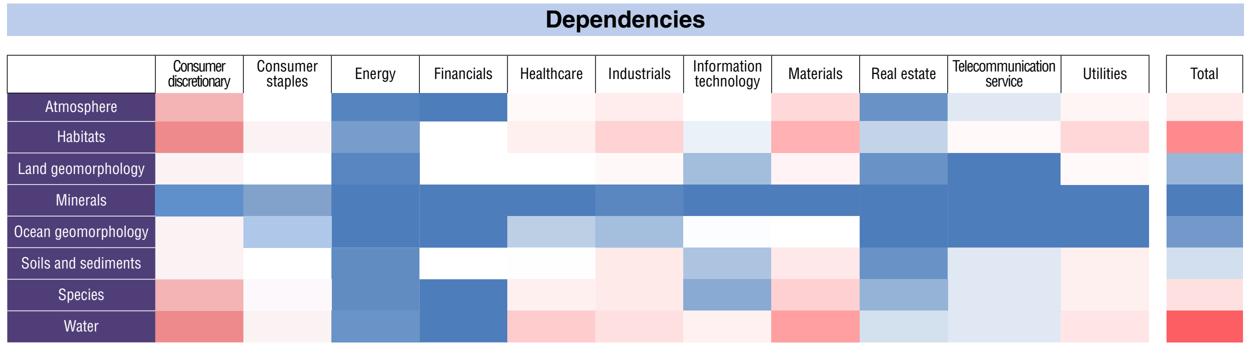
1. The production process implemented by each sector is identified
2. The extent to which each production process impacts natural capital is evaluated using a five-grade scale

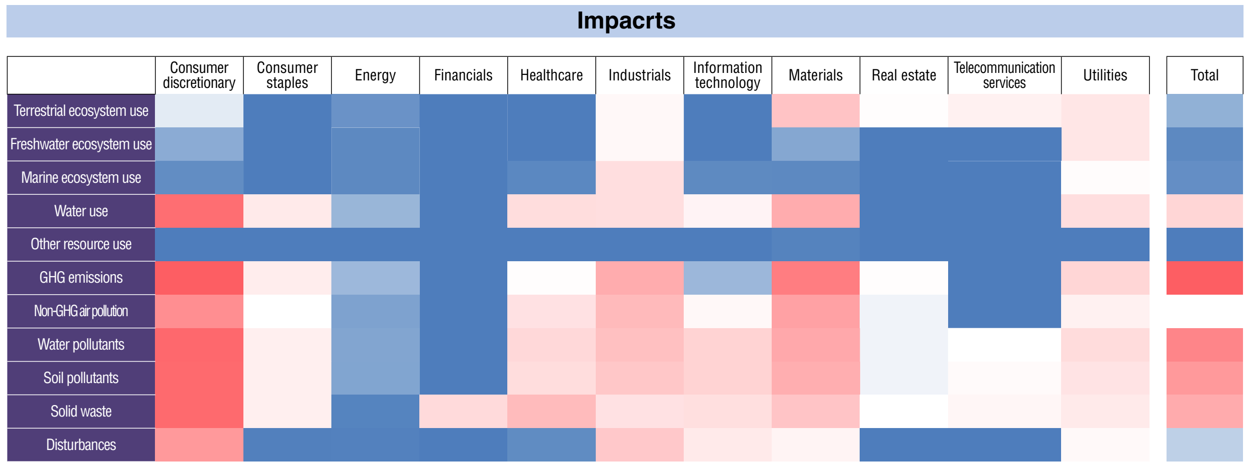
The weighted average of each sector is calculated to evaluate the portfolio

Very High	5
High	4
Medium	3
Low	2
Very Low	1

(3) Analysis results

Based on the above method, we conducted an analysis of Japanese stocks in our management portfolio according to sector ownership ratios. The results show that the natural capital with the highest dependencies are "Habitats" and "Water," while impacts were significant for "GHG emissions," "Water pollutants," and "Soil pollutants." Moving forward, we will use these results to refine our identification and analysis of specific companies within sectors that have significant dependencies and impacts.





Red: Sectors with high dependencies or impacts
Blue: Sectors with low dependencies or impacts

External Initiatives

Participation in Initiatives

We participate in the following initiatives to collect information about domestic and global trends in responsible investment and to engage in international discussions. Our company's executives serve as directors or members of representative groups in several major initiatives, where they express our perspectives as a leading institutional investor in Japan. (As of September 2025)

Initiatives in Which Our Company's Executives Serve as Steering Members

Principles for Responsible Investment (PRI)

Year Established 2006
Year Joined 2017

- An initiative established in 2006, advocated by then-UN Secretary General Kofi Annan.
- The PRI is a set of principles aiming to realize a sustainable society, advocating that institutional investors incorporate ESG issues in their investments.
- One of our company's executives was appointed a member of the PRI Board in 2021.

The Net-Zero Asset Owner Alliance (NZAOA)

Year Established 2019
Year Joined 2021

- An international initiative of asset owners established in 2019, in which asset owners commit to transitioning asset management portfolios to net zero greenhouse gas emissions by 2050 to achieve the 1.5°C target of the Paris Agreement.
- One of our company's executives was appointed a member of the Steering Group in 2022.

Glasgow Financial Alliance for Net Zero (GFANZ)

Year Established 2021
Year Joined 2021

- A global financial coalition committed to achieving carbon neutrality by 2050, composed of financial alliances in various industries, including the NZAOA and the NZBA (Net-Zero Banking Alliance), among others.
- Our company's president was appointed a member of the Japan Chapter Consultative Group in 2023.

TISFD (Taskforce on Inequality and Social-related Financial Disclosures)

Year Established 2024
Year Joined 2025

- An international initiative aimed at creating a framework for disclosing information on impacts, dependencies, risks, and opportunities related to people's well-being.
- One of our company's executives was appointed a member of the Steering Committee in 2025.

Domestic Initiatives

ESG Disclosure Study Group

Year Established 2020
Year Joined 2020

- A study group to examine the framework of ESG information disclosure from the perspectives of various stakeholders, including companies, investors, and auditing firms.

Japan Hydrogen Association

Year Established 2020
Year Joined 2022

- An initiative aimed at promoting the social implementation of hydrogen-related technologies through research and policy proposals that reduce costs associated with hydrogen technology and facilitate financing for the companies involved.

Japan Impact-driven Financing Initiative

Year Established 2021
Year Joined 2023

- An initiative to promote impact investment and finance through collaboration among impact-driven financial institutions.

The Association for Promotion of Sustainable Finance Platform

Year Established 2023
Year Joined 2023

- An association that connects asset managers and listed companies, promoting ESG disclosure and ongoing dialogue with investors.

International Initiatives

CDP

Year Established 2000
Year Joined 2023

- A British non-governmental organization (NGO) that operates a global disclosure system to help investors, companies, nations, regions, and cities manage their own environmental impacts.

Equator Principles

Year Established 2003
Year Joined 2019

- A framework developed by a group of financial institutions to identify, assess, and manage the environmental and social impacts of projects when they provide finance for large-scale development and construction.

Climate Action 100+

Year Established 2017
Year Joined 2022

- An international initiative in which investors collaborate to address natural capital challenges through dialogues with companies facing issues such as deforestation and land degradation.

TCFD

Year Established 2015
Year Joined 2018

- A task force on the disclosure of climate-related financial information, established under the Financial Stability Board. It recommends that companies and organizations voluntarily identify and disclose the financial impacts of climate-related risks and opportunities.

TNFD

Year Established 2021
Year Joined 2022

*Our company is registered as a TNFD Adopter

- An international organization aiming to develop a framework for private companies and financial institutions to appropriately evaluate and disclose risks and opportunities related to natural capital and biodiversity.

PCAF

Year Established 2015
Year Joined 2022

- An initiative aimed at standardizing measurement and disclosure methods for GHG emissions in the asset management portfolios of financial institutions.

Spring

Year Established 2024
Year Joined 2024

- An international initiative in which investors collaborate to address natural capital challenges through dialogues with companies facing issues such as deforestation and land degradation.

Advance

Year Established 2022
Year Joined 2022

- An international initiative in which investors collaborate to address social issues such as human rights through dialogues with companies.

Impact Investment Initiative for Global Health (Triple I for Global Health)

Year Established 2023
Year Joined 2023

- An initiative endorsed by the G7 leaders at the G7 Hiroshima Summit, aimed at addressing global health issues and promoting private capital toward impact investment.

GIIN(Global Impact Investing Network)

Year Established 2009
Year Joined 2025

- A global organization promoting impact investing, serving as a network of investors aimed at expanding impact investments and ensuring their quality. Over 400 organizations worldwide are members.

Policy Engagement Assessments from External Organizations

Policy Engagement

Considering investment performance in the long term, the returns obtained from investee companies are significantly influenced by the stability of social and environmental systems. As these systems are heavily impacted by policies and regulations, policy engagement (interacting with policymakers) is an important means to build better systems. Therefore, we actively participate in policy engagement for the realization of a sustainable society by sharing opinions, presenting at seminars, and attending study sessions.

Sponsorship/Co-sponsorship		Names of Conferences, etc.
Ministries & Agencies	Financial Services Agency	Working Group on Social Bonds
	Financial Services Agency, GSG Japan National Advisory Board[*1]	Working Group on Impact Investment
	Financial Services Agency, Ministry of Economy, Trade and Industry, Ministry of Environment	Task Force on Preparation of the Environment for Transition Finance / Sub-working Group on Financed Emissions
	Ministry of Economy, Trade and Industry	ISO/TC260 National Deliberative Committee (human capital)
	Ministry of Environment	Study Group on Green Finance / Nature Positive Economy Study Group, Core Members Meeting on NP Considerations in Finance
Initiatives	PRI	PRI Board of Directors / Global Policy Reference Group / Asset Owner Technical Advisory Committee / Japan Advisory Committee
	NZAOA	NZAOA Steering Group
	GFANZ	Consultative Group and Core Working Group of GFANZ Japan Chapter
Other	Japan Business Federation	Constructive Dialogue Promotion Working Group
	Life Insurance Association of Japan	Working Group on Stewardship Activity / Working Group on Responsible Investment

*Information as of September 2025.
*1: Domestic advisory committee of The Global Steering Group for Impact Investment (GSG), a global network to promote impact investments

Assessments from External Organizations

Our company's responsible investment efforts have been highly praised.

Awards

Period	Evaluation
February 2025	Awarded a Bronze Prize in the Investor Category of the Ministry of the Environment's ESG Finance Awards Japan (6th)
February 2024	Awarded a Gold Prize in the Investor Category of the Ministry of the Environment's ESG Finance Awards Japan (5th)
August 2022	Awarded an Excellence Award in the ESG category of the Sustainable Japan Awards organized by The Japan Times, Ltd.
January 2022	Awarded the Grand Prize at the 2021 Sustainable Finance Awards (7th)
February 2021	Awarded a Bronze Prize in the Investor Category of the Ministry of the Environment's ESG Finance Awards Japan (2nd)
February 2020	Awarded a Bronze Prize in the Investor Category of the Ministry of the Environment's ESG Finance Awards Japan (1st)

2024 PRI Annual Reporting & Assessment

Nippon Life received the highest grade of 5 stars in the PRI 2024 assessment of its activities in 2023 in the following four modules: Policy Governance and Strategy, Confidence building measures, Indirect - Listed equity - Active, and Indirect - Fixed income – Active. In the remaining module, Indirect - Listed equity - Passive, we received four stars.

Module	Details	Grade
Policy Governance and Strategy	Overall policy, governance, and strategy of its responsible investment	★★★★★ (5 stars)
Confidence building measures	The review and/or verification of data reported	★★★★★ (5 stars)
Indirect - Listed equity - Active	Selection, appointment, and monitoring of investment managers	★★★★★ (5 stars)
Indirect - Listed equity - Passive	Selection, appointment, and monitoring of investment managers	★★★★ (4 stars)
Indirect - Fixed income - Active	Selection, appointment, and monitoring of investment managers	★★★★★ (5 stars)

Message from Head of Responsible Investment Strategy Office

Advancing responsible investment
—Driving social change together with an expanding network of partners

Our approach to responsible investment goes beyond conventional ESG practices. At its core, it is guided by a commitment to actively addressing social challenges. We see the environment and society as the major foundations that support both people's lives and business activities, and we strive to make them sustainable. In doing so, we aim to ensure that our customers can continue living with peace of mind, while also creating positive impacts on the companies we invest in—and, ultimately, on our entire investment portfolio.

Of course, our company alone cannot provide sufficient investments to address these social challenges. Expanding the circle of like-minded partners who share our vision and sharing our approaches with those who are unsure how to move forward are both crucial. These efforts not only strengthen our own initiatives but also help drive broader shifts in the flow of capital across society. We believe this, too, is an important role for our company.

In this context, we announced the Transition Finance Framework in 2024 and the Nature Finance Approach in 2025. Each represents a methodology developed through extensive consideration of how we, as an institutional investor, can contribute to addressing major social challenges—namely, climate change and nature restoration. Both were carefully designed to be as accessible as possible, simplifying complex concepts while maintaining credibility by drawing on international and scientific perspectives. We gave thorough thought to what actions should be taken and to what extent, ensuring that each framework is both practical and sound.

Although it was a courageous decision to disclose these methodologies, we decided to make all of this information publicly available. While it is important for us to take on these challenges ourselves, we believe that increasing the number of people engaged in addressing these major issues and helping to create such a positive movement across society will ultimately benefit both our company and our customers.

Toward a comprehensive approach to social issues
—Collaborating across industries and advancing through exploration

While addressing individual social issues is important, it is equally vital to approach them holistically, keeping the broader picture in mind. No single company can achieve this on its own; rather, it is a long-term endeavor that must be pursued in collaboration with diverse partners. As part of these efforts, in 2025 we entered into a partnership agreement with Nagasaki University, a leading institution in this field, to jointly advance research on the concept of planetary health—an interdisciplinary approach that examines the interconnections between the health of the Earth and the health and well-being of humanity and society. As an insurance company, we plan to begin by focusing our research on how the rise in infectious diseases linked to climate change may affect our financial performance. At the same time, we will engage in discussions—drawing on academic expertise—to explore how, from an investment perspective, we can contribute to addressing humanity's challenges through a comprehensive and long-term approach. This will be a continuing journey of exploration without any definitive answers, but we are determined to carefully consider what we can do now and to act to the best of our ability.

We believe that responsible investment is not merely an investment approach, but a reflection of our commitment to co-creating the future together with our stakeholders. Even amid continuing uncertainty and environmental change, we are confident that by sharing a common vision for the future across society, we can drive meaningful transformation. We sincerely hope that this report will deepen our customers' understanding of our approach to responsible investment, serve as a catalyst for dialogue and action among our many stakeholders, and ultimately help generate even just a bit of momentum for moving forward together.

Reference Responsible Investment Guidelines

In light of our social responsibilities as a life insurance company, we will manage all asset classes in our portfolio taking into account adequate asset class characteristics and regional specificities. We will also take a mid- to long-term approach considering environmental, social, and governance (ESG) perspectives. Taking into consideration the mission and public nature of the life insurance business, as well as our approach to important social challenges, we do not invest in certain companies and businesses. Aiming to achieve "a secure future with economic security" through responsible investment, we will seek to shape sustainability outcomes to realize a sustainable society, while also striving to secure long-term stable investment returns.

1. Nippon Life integrates ESG factors into all asset classes in order to contribute to solving social issues. Specifically, we conduct proprietary ESG evaluation (assignment of ESG ratings) for all asset classes and use it for investment decisions.
2. For equities, corporate bonds, loans, and real estate, we apply proprietary portfolio allocation rules which limit the investment into lower rated investments. The rule aims to prioritize capital allocation to higher rated investments as well as to encourage positive ESG developments through engagements to companies that have greater room for improvement.
3. For Thematic Investment, which we define as investments in which the use of proceeds contributes to the attainment of SDGs, Nippon Life will prioritize investment opportunities that will deliver superior sustainability outcomes.
4. In our engagement activity, Nippon Life requests disclosure of non-financial information encompassing ESG perspectives and conducts dialogue with a focus on the ESG topics we deem important, as well as implementing appropriate stewardship activities. Through these efforts, we support the sustainable growth of investees and the creation of sustainability outcomes. In addition, we also participate in ESG initiatives including collaborative engagement initiatives. In cases when engagement is unsuccessful after multiple years, we consider options such as voting against the company's proposals in accordance with the Guidelines for Exercise of Voting Rights, as well as revisiting our investment view which may trigger reduction of investments
5. Nippon Life's basic stance regarding responsible investment is to take a mid- to long-term perspective as well as to respect the diversity of country, industry sector, and company. We are generally not in favor of taking a short-term, one-size-fits-all approach. However, from the perspective of the mission and public nature of the life insurance business, and our responses to important social issues, we do not invest in certain companies and businesses (Negative screening). Considering factors such as trends in international treaties, and standards formulated by various initiatives both domestic and international, we will continue to revise the target scope regularly through our reports, website and other disclosure material.
6. As part of our customer-centric business operation, Nippon Life will engage with our customers (policyholders) to grasp awareness and values around responsible investment. This will allow us to reflect our beneficiaries' view into our responsible investment and strengthen the customer's confidence.
7. Nippon Life participates in various responsible investment related initiatives as well as government sponsored committees and working groups, both domestic and international. We provide feedback reflecting the regional specificities of Japan when adequate. We also conduct policy engagement so that there is an alignment between our sustainability outcomes goals and the policy actions.
8. Nippon Life actively builds relationships and communicates about its responsible investment activity with a wide range of stakeholders around the world, including financial institutions, governments, and local communities so that we contribute to the expansion of responsible investment and furthermore the sound development of financial markets.
9. In order to enhance responsible investment and create synergies within the Group, Nippon Life actively shares responsible investment expertise and challenges throughout the Group.
10. From the standpoint of preventing conflicts of interest, Nippon Life has implemented a structure of splitting sales units and investment management units. Regardless of business relationships, investment management units can make an independent decision in proxy voting.

Key Sustainability Themes of the Investment Management Unit (including stewardship activities)

We have identified six key sustainability themes for our asset management activities: "Climate change," "Natural capital," "Regional economies," "Global health (public health)," "Respect for human rights," and "Human capital." We will periodically review these key sustainability themes in light of changes in the external environment and social conditions.

Activities to Resolve Key Sustainability Themes

"Climate change" is one of the priority issues that we must confront globally. According to research by the Intergovernmental Panel on Climate Change (IPCC), which consists of scientists from around the world, and other studies, a significant reduction in greenhouse gas emissions will be required. In order to achieve our 2030 GHG emission reduction target as well as to achieve net zero by 2050, Nippon Life will provide finance to businesses that support decarbonization and also engage with high emitting companies to encourage their decarbonization effort.

As for "Natural capital," there is an urgent need to transition to a nature-positive approach to halt the loss of natural capital and put it on a path to recovery, as the destruction of nature and degradation of habitats continue due to the expansion of economic activities. We endorse the recommendations of the TNFD and will continue to promote efforts and improve disclosure related to the conservation and restoration of natural capital.

We think that the "Regional economies" are facing social issues unique to Japan, such as regional disparities caused by an aging and declining population, and that addressing these issues is essential for achieving economic growth across the country. Going forward, we will contribute to the development of regional economies by investing in small and medium-sized enterprises and office buildings throughout Japan, in collaboration with regional financial institutions that share our values and vision.

"Global health" is a critical social issue that not only directly impacts people's health but also has a negative impact on society and the economy as a whole, requiring public-private partnerships to mitigate risks. As a life insurance company, we believe we have a significant role to play in addressing social issues such as improving access to healthcare and extending healthy life expectancy. Based on this belief, we will work alongside financial institutions in Japan and abroad to help resolve these issues.

"Human rights" are the rights with which all people are inherently endowed, and violation of these rights, such as forced labor, discrimination, and harassment, have become problems. Since the United Nations formulated its Guiding Principles on Business and Human Rights in 2011, there has been an international outcry for human rights conscious corporate management, and governments around the world are working to establish standards. In Japan, the government published guidelines for respecting human rights in 2022. In Nippon Life's investment activity, initiatives reflecting those guidelines will be implemented.

"Human capital" is a concept that views human resources as capital and seeks to maximize their value, and we recognize that it is an important theme in corporate management that leads to mid- to long-term improvements in corporate value, regardless of industry. In particular, we recognize the importance of linking corporate strategy and human resource strategy, regardless of industry sector, and will support efforts related to corporate human capital management.

Other topics include well-being, diversity, executive remuneration, minority interests, takeover defense measures, and independence of directors. Nippon Life provides regular updates on these topics through our reports, website and other disclosure material.

2025-2871G, Responsible Investment Strategy Office

NISSAY

Enhance today for your future.

Nippon Life Insurance Company