Overview of Financial Results for the Fiscal Year Ended March 31, 2022

May 26, 2022

Nippon Life Insurance Company

Table of Contents

1 Group overview

2 Domestic life insurance business

3 Business outlook

【Reference】Status of each Group company

① Highlights

GROUP

Revenues from insurance and reinsurance

¥5,386.0 billion

〔 vs FY2020 +3.8%／vs FY2019 -5.8% 〕

- Increased compared to FY2020, due to higher revenues at Group companies.
- Decreased compared to FY2019 due to a decrease in sales of foreign currency-denominated insurance.

Core operating profit

¥872.1 billion

〔 vs FY2020 +26.3%／vs FY2019 +25.3% 〕

- Increased mainly because of increased stock dividends and investment trust distributions due to recoveries in companies' results both domestically and globally.

Domestic life insurance Individual insurance/annuities

Annualized new premium

¥394.3 billion

〔 vs FY2020 +28.4%／vs FY2019 -3.2% 〕

- Decreased in the bancassurance channel compared to FY2019. The domestic total has not recovered to pre-COVID-19 levels.

Annualized premium in force

¥4,569.5 billion

〔vs end March-21 +1.3%〕

- Increased due to the impact of the yen's depreciation, in addition to an increase in new policies.

GROUP

Business outlook

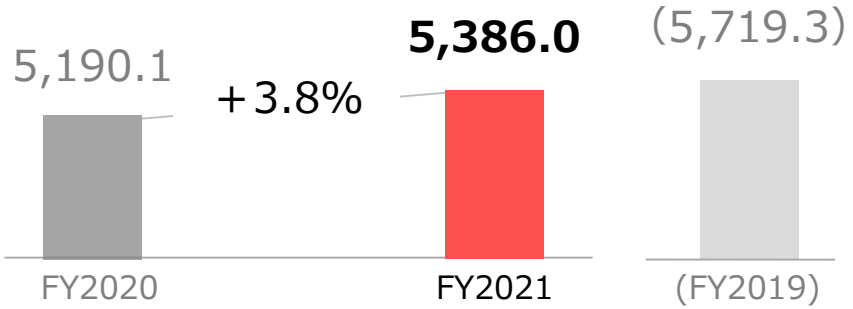
Increase in revenue and decrease in profit

- Revenues from insurance and reinsurance are expected to increase due to an increase in sales of foreign currency-denominated insurance.
- Core operating profit is expected to decrease due to a decrease in investment yield margin.

② Revenues from insurance and reinsurance/Core operating profit

Revenues from insurance and reinsurance

(Billions of Yen)

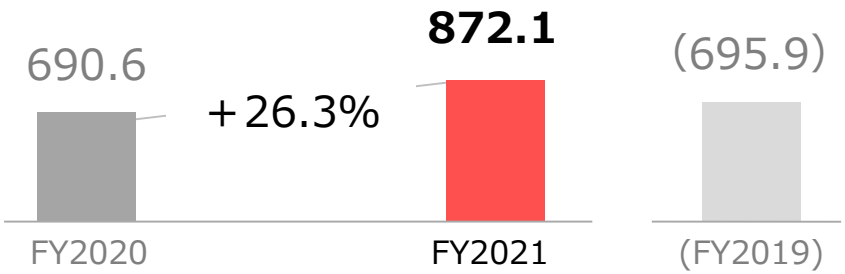


	FY2021	vs FY2020	vs FY2019
Revenues from insurance and reinsurance	5,386.0	+3.8%	-5.8%
Nippon Life	4,307.9	+1.0%	-4.8%
Taiju Life	498.6	+13.0%	-25.3%
Nippon Wealth Life	350.1	+23.8%	+13.3%
Hanasaku Life	13.7	+101.4%	+779.2%
MLC	181.2	+13.1%	+3.4%

※ Total figures are consolidated revenues from insurance and reinsurance from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, MLC Limited (hereinafter, MLC) and Nippon Life Insurance Company of America

Core operating profit

(Billions of Yen)



	FY2021	vs FY2020	vs FY2019
Core operating profit	872.1	+26.3%	+25.3%
Investment yield margin	386.5	+94.7%	+75.0%
Insurance-related gains and lossed	463.9	-5.9%	-1.5%
Nippon Life	796.6	+21.3%	+23.0%
Taiju Life	38.2	+44.2%	+33.3%
Nippon Wealth Life	34.6	+40.1%	+34.2%
Hanasaku Life	-18.9	-18.6%	-84.6%
MLC	2.3	*	*

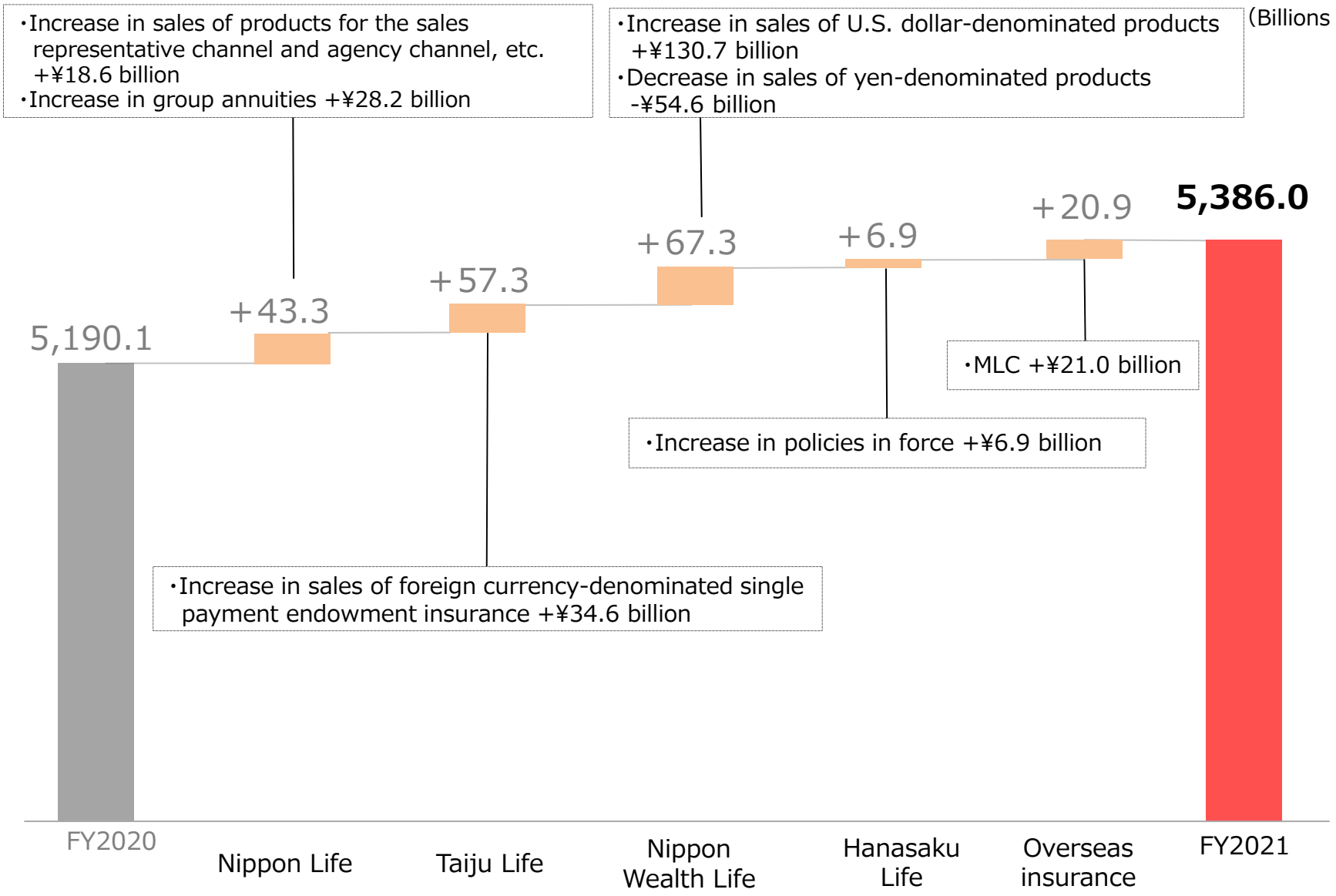
※ Total figures are calculated based on core operating profit from Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life and net income before taxes of global insurance subsidiaries and affiliates and domestic and overseas asset management subsidiaries and affiliates and with adjustment based on the stock ownership ratio and some internal transactions, and excluding interest rate fluctuations

※ Investment yield margin and insurance-related gains and losses are based on total of domestic life insurance

* Increase rates could not be calculated because the figures for the prior fiscal years were negative whereas the figure for the fiscal year under review was positive

③ Revenues from insurance and reinsurance

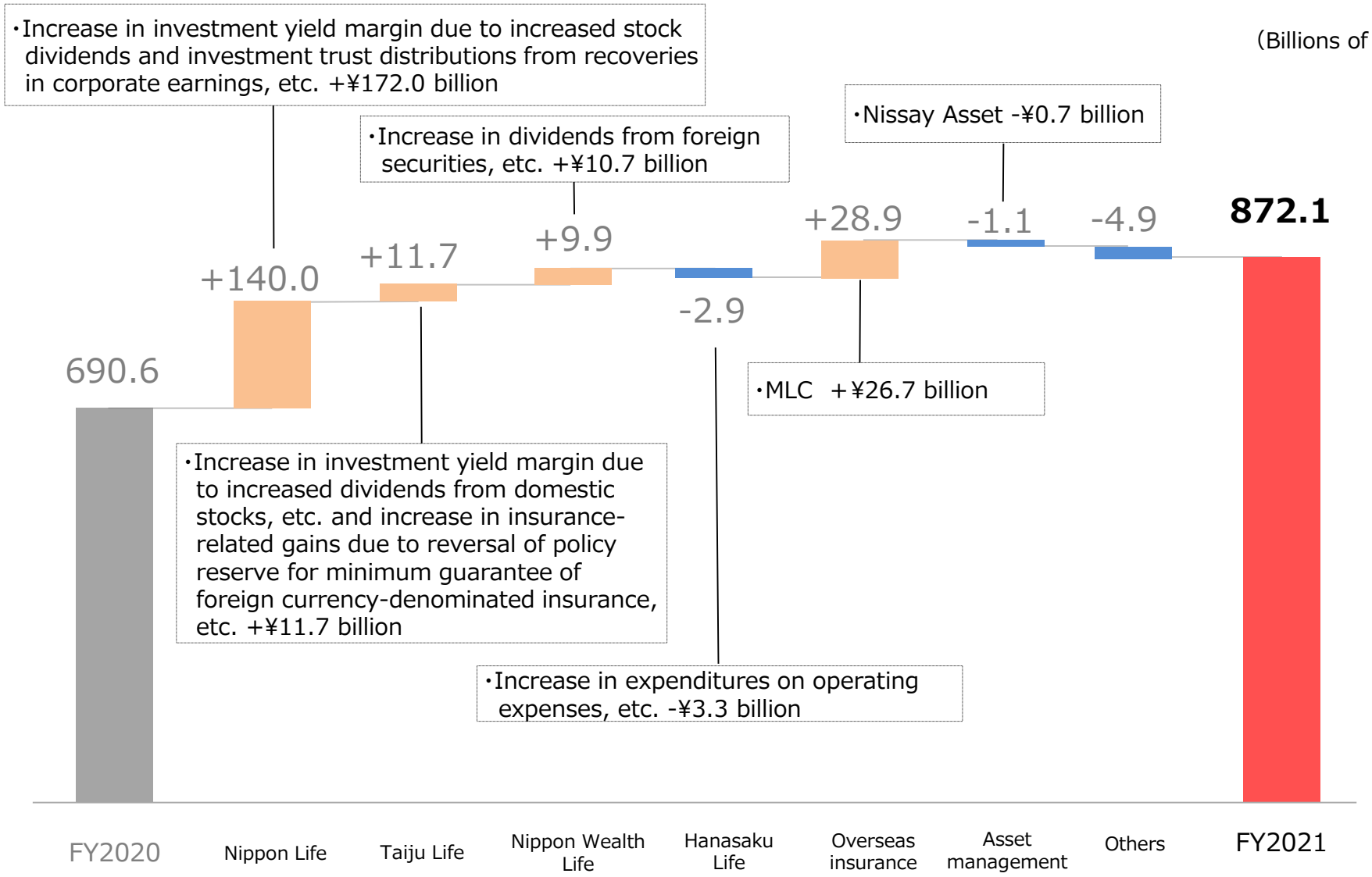
(Billions of Yen)



※ Total figures are consolidated revenues from insurance and reinsurance from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, MLC and Nippon Life Insurance Company of America

④ Core operating profit

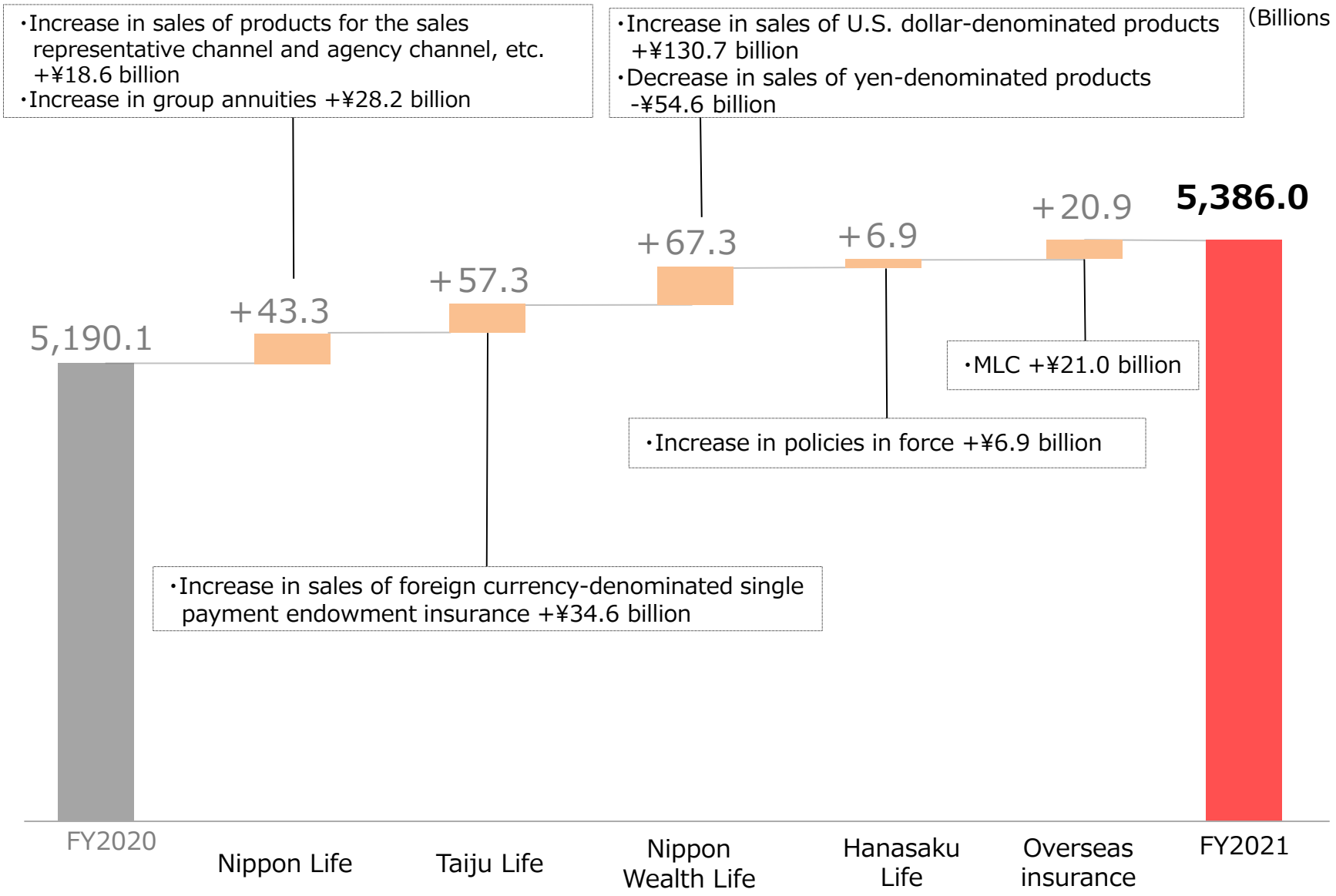
(Billions of Yen)



※ Total figures are calculated based on core operating profit from Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life and net income before taxes of overseas life insurance subsidiaries and affiliates and domestic and overseas asset management subsidiaries and affiliates and with adjustment based on the stock ownership ratio and some internal transactions, and excluding interest rate fluctuations
※ Others represents a change in dividend elimination
※ [Company name] Nissay Asset: Nissay Asset Management Corporation

⑤ Revenues from insurance and reinsurance

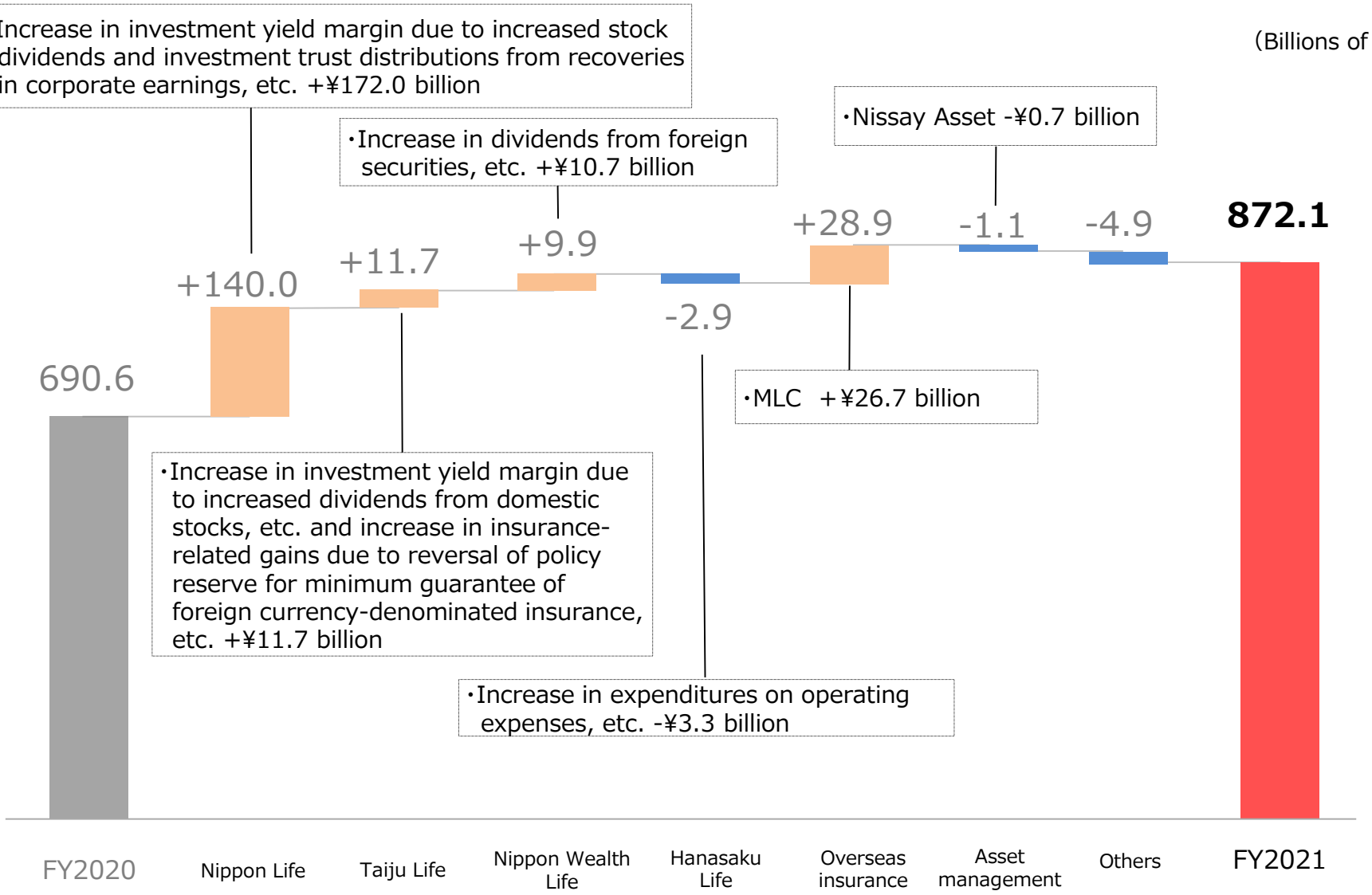
(Billions of Yen)



※ Total figures are consolidated revenues from insurance and reinsurance from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, MLC and Nippon Life Insurance Company of America

⑥ Core operating profit

(Billions of Yen)

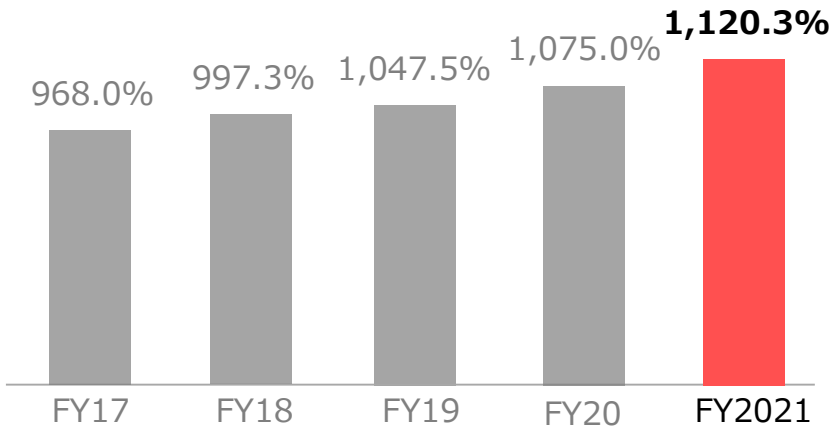


※ Total figures are calculated based on core operating profit from Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life and net income before taxes of overseas life insurance subsidiaries and affiliates and domestic and overseas asset management subsidiaries and affiliates and with adjustment based on the stock ownership ratio and some internal transactions, and excluding interest rate fluctuations
※ Others represents a change in dividend elimination
※ [Company name] Nissay Asset: Nissay Asset Management Corporation

⑦ Soundness

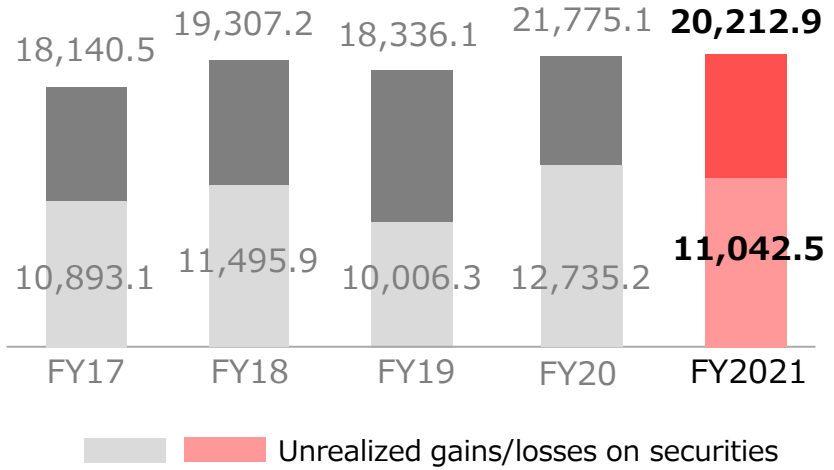
- Solvency margin ratio increased compared to the end of FY2020 due to the strengthening of equity capital through subordinated loan funding and other means.
- Real net assets decreased compared to the end of FY2020 as a result of a decrease in unrealized gains on securities, despite the accumulation of equity capital.

Solvency margin ratio



(Billions of Yen)

Real net assets



※ Unrealized gains/losses on securities are calculated from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, overseas life insurance subsidiaries and other consolidated subsidiaries

⑧ Statements of income/Balance sheet

Statements of income

- Ordinary income increased compared to FY2020.
- Net surplus increased compared to FY2020.

(Billions of Yen)

	FY2021	YoY change
Ordinary income	8,356.8	+2.4%
Revenue from insurance and reinsurance	5,386.0	+3.8%
Investment income	2,695.9	+0.5%
Ordinary expenses	7,821.4	+1.8%
Benefits and other payments	4,629.8	-1.4%
Investment expenses	386.4	+11.3%
Operating expenses	802.9	+1.4%
Ordinary profit	535.4	+12.6%
(Core operating profit)	872.1	+26.3%
Extraordinary gains and losses	-85.5	+7.0%
Net surplus (income)	346.7	+4.6%

Balance sheet

- Total assets and total liabilities both increased from the end of FY2020.
- Net assets decreased from the end of FY2020.

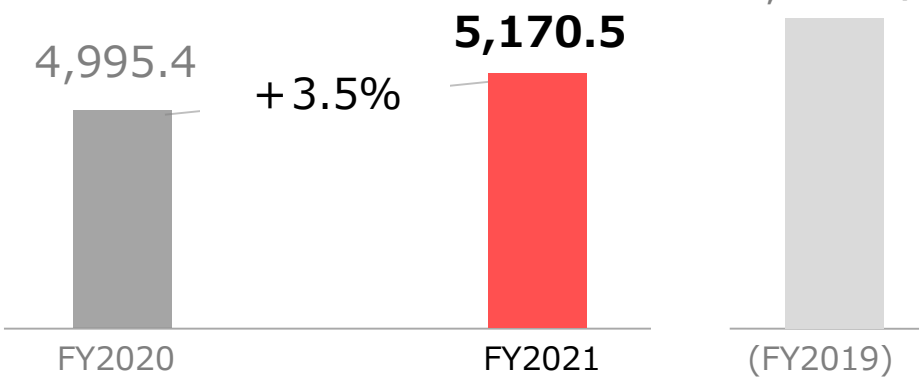
(Billions of Yen)

	As of end Mar-22	vs prior fiscal year-end
Assets	88,381.9	+3.3%
Investments in securities	73,373.6	+3.7%
Loans	8,437.6	+0.2%
Tangible fixed assets	1,875.3	-3.4%
Liabilities	80,328.9	+4.6%
Policy reserves and other reserves	69,922.7	+2.4%
Policy reserves	68,547.9	+2.4%
Reserve for price fluctuations	1,684.5	+4.6%
Net assets	8,053.0	-8.7%

① Revenues from insurance and reinsurance

- Revenues increased compared to FY2020, due to factors such as increases in sales of corporate products and foreign currency-denominated insurance in various channels, in addition to a certain amount of increase in the activity of sales representatives during the COVID-19 pandemic using digital tools.
- Meanwhile, revenues decreased compared to FY2019 before the COVID-19 pandemic, as sales results did not fully recover in the sales representative and other channels, and sales of foreign currency-denominated insurance declined in the bancassurance channel.

Revenues from insurance and reinsurance (domestic total)



	FY2021	vs FY2020	vs FY2019
Revenue from insurance and reinsurance (domestic total)	5,170.5	+3.5%	-6.1%
Individual insurance and individual annuities	3,699.6	+3.1%	-5.5%
Sales representative channel	2,741.0	+0.2%	-2.5%
Agency channel	430.6	+8.9%	-3.4%
Bancassurance channel	527.9	+15.7%	-19.8%
Group insurance	284.9	+1.3%	+2.7%
Group annuities	1,094.1	+3.2%	-2.7%

※ Represents the sum of figures for Nippon Life, Taiju Life, Nippon Wealth Life, and Hanasaku Life

② New policies

- Annualized premium on new policies for domestic individual insurance and individual annuities increased compared to FY2020.
- Meanwhile, premium decreased compared to FY2019 because the bancassurance channel has not recovered to pre-pandemic levels.

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium			Number of policies			Amount of coverage, etc.		
	FY2021	vs FY2020	vs FY2019	FY2021	vs FY2020	vs FY2019	FY2021	vs FY2020	vs FY2019
Domestic total	394.3	+28.4%	-3.2%	4.87	+15.6%	-7.6%	9,979.7	+23.0%	+4.7%
Sales representative channel	227.4	+32.8%	+7.5%	4.63	+15.1%	-7.8%	7,511.6	+13.0%	-7.2%
Agency channel	61.0	+37.2%	+52.3%	0.17	+30.1%	+19.5%	1,901.1	+90.4%	+169.4%
Bancassurance channel	105.7	+15.7%	-32.1%	0.06	+11.7%	-40.7%	563.0	+21.4%	-23.3%
Nippon Life	273.9	+30.5%	+9.4%	4.49	+12.3%	-10.1%	8,205.3	+13.9%	-2.8%
Taiju Life	24.1	+27.0%	-27.4%	0.22	+96.3%	+16.0%	653.6	+17.0%	-18.9%
Nippon Wealth Life	88.3	+21.1%	-26.2%	0.03	+38.4%	+34.5%	362.8	+46.4%	+32.7%
Hanasaku Life	7.8	+53.2%	+104.9%	0.12	+59.8%	+95.2%	757.9	+662.1%	*

＊Increase rate exceeds 1,000% due to low comparison figures

③ Policies in force

- Policies in force for domestic individual insurance and individual annuities showed increases in annualized premium and number of policies, but a decrease in amount of coverage, etc.
- Group insurance decreased while group annuities increased.

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium		Number of policies		Amount of coverage, etc.	
	As of end Mar-22	vs prior fiscal year-end	As of end Mar-22	vs prior fiscal year-end	As of end Mar-22	vs prior fiscal year-end
Domestic total	4,569.5	+1.3%	37.93	+2.9%	174,952.5	-0.7%
Nippon Life	3,770.0	+0.9%	34.72	+2.6%	153,392.7	-0.9%
Taiju Life	511.8	-0.6%	2.59	+2.0%	17,312.8	-4.2%
Nippon Wealth Life	272.0	+10.0%	0.35	+6.0%	3,409.4	+7.6%
Hanasaku Life	15.5	+81.7%	0.24	+82.4%	837.4	+681.2%

Group insurance/annuities

	Group insurance (Amount of coverage, etc.)		Group annuities (AUM, etc.)	
	As of end Mar-22	vs prior fiscal year-end	As of end Mar-22	vs prior fiscal year-end
Domestic total	109,840.6	-0.6%	18,495.2	+3.6%
Nippon Life	98,261.3	-0.5%	13,895.3	+1.8%
Taiju Life	11,579.3	-1.2%	780.9	+0.1%

※ The domestic total of group insurance and group annuities represents the sum of figures for Nippon Life, Taiju Life, and Nippon Wealth Life. The domestic total for group annuities includes the investment advisory balance of Nissay Asset Management (¥3,101.5 billion) and investment trusts in defined contribution pension plans (¥716.1 billion for Nippon Life's sales representative)

④ Policyholder dividends

- Following on from the previous fiscal year, Nippon Life's policy is to continue to provide dividends to policyholders of individual insurance and individual annuities at Nippon Life and Taiju Life.

Policy on policyholder dividends (individual insurance and individual annuities)

Nippon Life

- Provide policyholder dividends for individual insurance and individual annuities. The policy is to **increase** risk profit dividends, while maintaining interest rate profit dividends.
  - Provided policyholder dividends for approximately 10 million policies.
  - Of these policies, around 6 million policies received dividend increases.

Taiju Life

- **Provide policyholder dividends** for individual insurance and individual annuities. (The dividend levels are unchanged.)
  - Provided policyholder dividends for approximately 30,000 policies.

【Reference】Payment of benefits for COVID-19

Death benefits (Approx.)

	FY2021
Death benefits	1,930 cases ¥16.39 billion
Accident/Injury rider	300 cases ¥1.79 billion

Hospitalization benefits (Approx.)

	FY2021
Hospitalization benefits	151,610 cases ¥22.68 billion
Hospitalization at an extraordinary facility	133,500 cases ¥19.88 billion

【Reference】FY2020 Insurance benefits for the COVID-19

Death benefits (Approx.)

	FY2020
Death benefits	800 cases ¥8.52 billion
Accident/Injury rider	140 cases ¥0.94 billion

Hospitalization benefits (Approx.)

	FY2020
Hospitalization benefits	15,580 cases ¥2.11 billion
Hospitalization at an extraordinary facility	8,580 cases ¥1.10 billion

Business outlook

- Nippon Life Group forecasts for FY2022 are for revenues to increase and profit to decrease.
- Revenues from insurance and reinsurance are expected to increase due to an increase in sales of foreign currency-denominated products.
- Core operating profit is expected to decrease mainly due to the absence of an increase in investment trust distributions and increased hedge costs.

Redefinition of core operating profit beginning with financial results from FY2022 onward

Revised items	Description of revision
Hedge cost related to foreign exchange	Include in the calculation of core operating profit
Gain (loss) on cancellation of investment trusts	Exclude from the calculation of core operating profit
Foreign exchange fluctuation component of gain (loss) on redemption of securities	

(Billions of Yen, Millions of Australian Dollars)

	Revenues from insurance and reinsurance		Core Operating Profit	
	FY2021	FY2022 (forecast)	FY2021 (After redefinition)	FY2022 (forecast after redefinition)
Group total	5,386.0	Increase	872.1 (851.5)	Decrease
Nippon Life	4,307.9	Increase	796.6 (775.2)	Decrease
Taiju Life	498.6	Increase	38.2 (39.6)	Decrease
Nippon Wealth Life	350.1	Increase	34.6 (33.9)	Decrease
Hanasaku Life	13.7	Increase	-18.9 (-18.9)	Decrease
MLC	1,787	Increase	28 (28)	Decrease

※ The Group total for revenues from insurance and reinsurance are consolidated revenues from insurance and reinsurance calculated from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, MLC and Nippon Life Insurance Company of America

※ The Group total for core operating profit is calculated from Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life and net income before taxes of overseas life insurance subsidiaries and affiliates and domestic and overseas asset management subsidiaries and affiliates and with adjustment based on the stock ownership ratio and some internal transactions, and excluding interest rate fluctuations

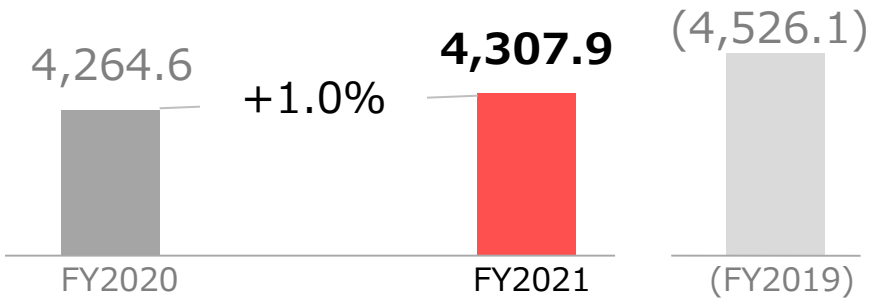
※ MLC's revenues from insurance and reinsurance are premium revenue. Core operating profit is calculating by stock ownership ratio and excluding interest rate fluctuation factors, etc. from net income before taxes (on a local currency basis)

【Reference】 Status of each Group company

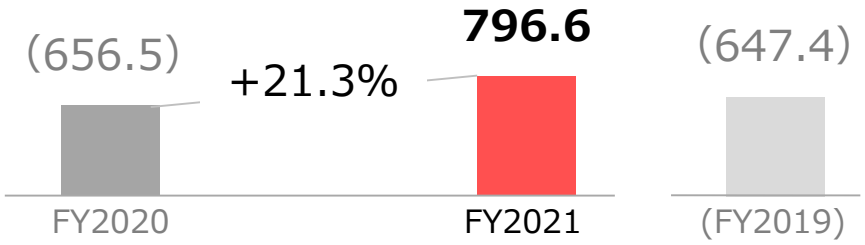
【Reference】Nippon Life (nonconsolidated): Revenue

- Nippon Life's revenue and profit increased compared to FY2020.
- Revenues from insurance and reinsurance increased due to increases in sales of products for the sales representative channel and agency channel and an increase in group annuities, which reflected an increase in activity, but revenues decreased compared to FY2019.
- Core operating profit increased through increased stock dividends and investment trust distributions due to recoveries in companies' results.

Revenues from insurance and reinsurance (Billions of Yen)



Core operating profit



	FY2021	vs FY2020	vs FY2019
Core operating profit	796.6	+21.3%	+23.0%
Investment yield margin	368.6	+87.5%	+66.8%
Expense margin	36.3	-7.2%	+29.0%
Contingency margin	391.6	-6.9%	-1.7%

【Reference】Nippon Life (nonconsolidated): Asset management

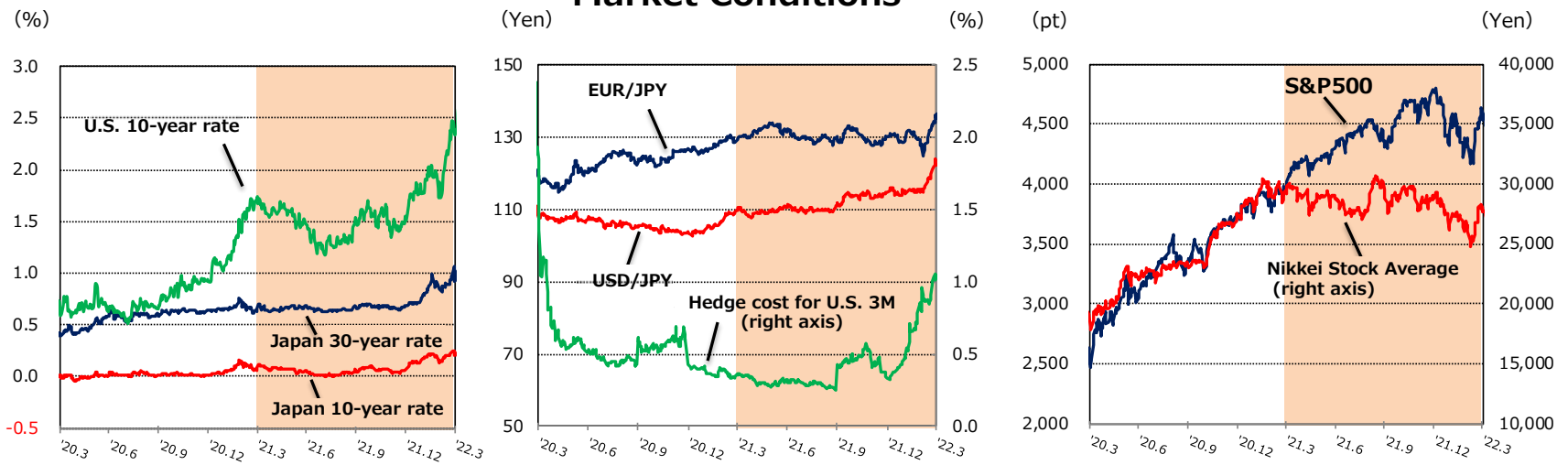
- Net investment income increased compared to FY2020.
- Investment income increased mainly due to an increase in interest, dividends, and other income reflecting increases in stock dividends and investment trust distributions.
- Investment expenses rose due to an increase in loss on sale of securities.

Net investment income (General account)

(Billions of Yen)

	FY2021	vs FY2020
Investment income	2,086.9	+122.1
Interest, dividends, and other income	1,537.3	+155.3
Gain on sales of securities	465.2	-42.0
Investment expenses	256.2	+28.7
Loss on sale of securities	113.6	+73.4
Loss on valuation of securities	13.1	+8.1
Loss on derivative financial instruments, net	12.9	-35.0
Net investment income	1,830.7	+93.3

Market Conditions

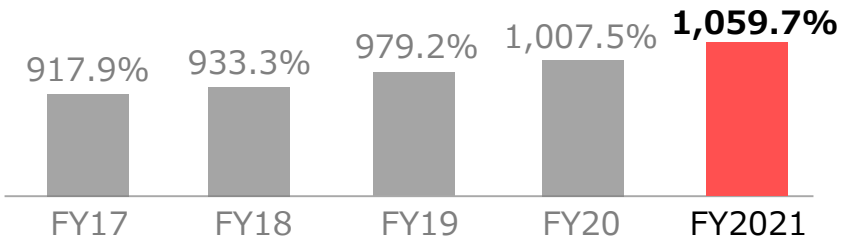


【Reference】Nippon Life (nonconsolidated): Soundness

- Solvency margin ratio increased compared to FY2020 due to the strengthening of equity capital through subordinated loan funding and other means.

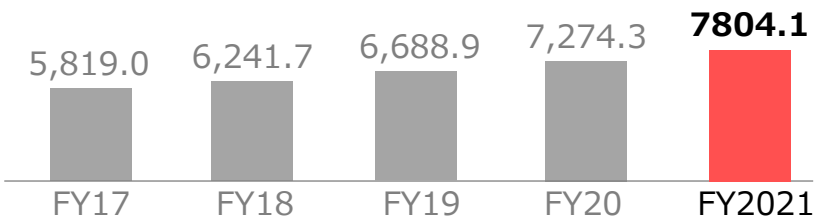
- Unrealized gains on securities decreased compared to FY2020 mainly due to declines in unrealized gains on domestic bonds and foreign securities, which were affected by rising domestic and overseas interest rates.

Solvency Margin Ratio



Equity capital

(Billions of Yen)



Unrealized gains/losses on securities

(Billions of Yen)

	As of end Mar-22	vs end Mar-21
Investments in securities	10,678.9	-1,636.1
Domestic bonds	2,135.1	-1,009.9
Domestic stocks	5,625.0	-239.2
Foreign securities	2,812.2	-282.6
Others	106.4	-104.2

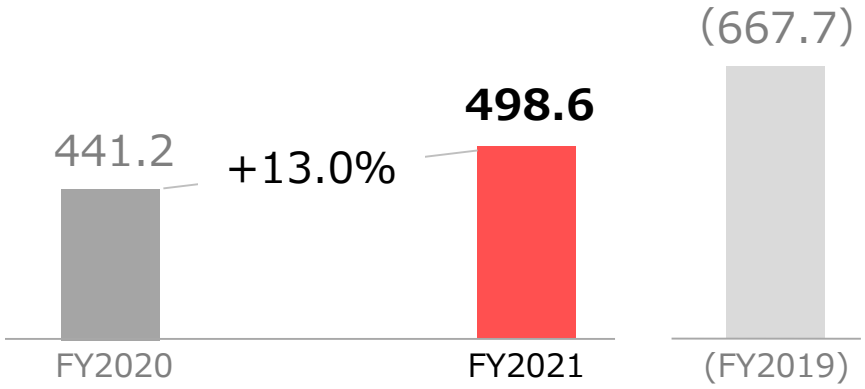
※ Calculations exclude items such as stocks without market prices and entities such as partnerships

【Reference】Taiju Life

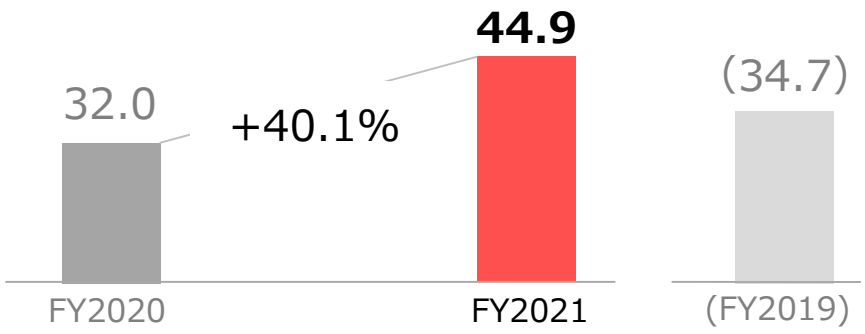
- Taiju Life's revenue and profit increased compared to FY2020.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of single-premium foreign currency-denominated endowment insurance, but revenues decreased compared to FY2019.
- Core operating profit increased due to improvement in investment yield margin, which reflected factors such as an increase in dividends from domestic stocks, and an increase in insurance-related gains and losses caused by a reversal of policy reserve for minimum guarantee of foreign currency-denominated insurance.

(Billions of Yen)

Revenues from insurance and reinsurance



Core operating profit



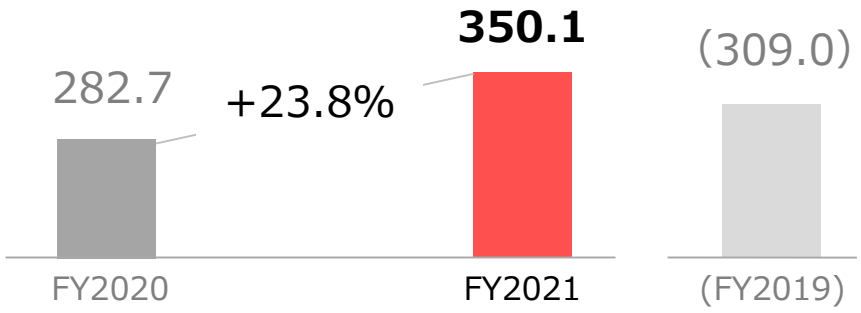
※ Nonconsolidated figures are shown

【Reference】Nippon Wealth Life

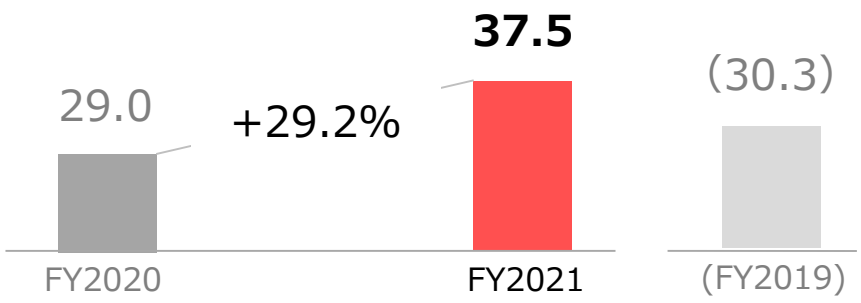
- Nippon Wealth Life's revenue and profit increased compared to FY2020.
- Revenues from insurance and reinsurance increased compared to FY2020 mainly due to an increase in sales of U.S. dollar-denominated products.
- Core operating income increased compared to FY2020 due to an increase in dividends from foreign securities, etc.

(Billions of Yen)

Revenues from insurance and reinsurance



Core operating profit



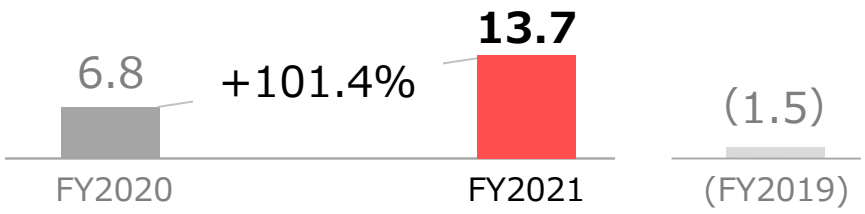
※ Nonconsolidated figures are shown

【Reference】Hanasaku Life

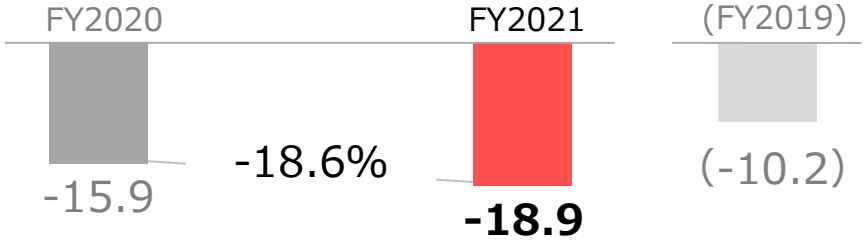
(Billions of Yen)

- Hanasaku Life's revenue increased, but profit decreased compared to FY2020.
- Revenues from insurance and reinsurance increased compared to FY2020 due to a steady expansion of policies in force.
- Core operating profit decreased compared to FY2020 mainly due to an increase in expenditures on operating expenses, etc. for business expansion.

Revenues from insurance and reinsurance



Core operating profit



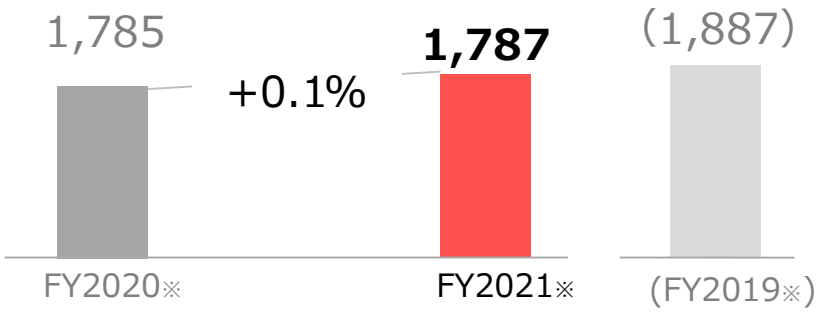
※ Nonconsolidated figures are shown

【Reference】MLC

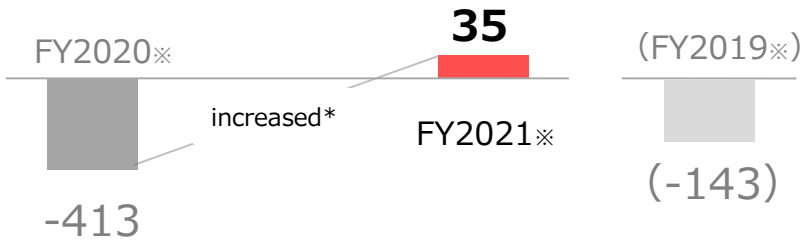
(Millions of Australian Dollars)

- MLC's premium revenue and profit increased compared to FY2020.
- Premium revenue mostly flat due to a decrease in bancassurance and an increase in group.
- Core operating profit has posted a surplus for the first time in three fiscal years, mainly due to an improvement in retail insurance profitability.

Premium revenue



Core operating profit



※ Nonconsolidated figures are shown
※ Full-year performance reflects consolidated results for January to December.
* Variance cannot be calculated because the FY2020 result was a loss and the FY2021 result was positive