



NISSAY

Overview of Financial Results for the Six Months Ended September 30, 2022

November 25, 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

➡ **¥2,968.6 billion**

[vs FY2021 H1 +9.1% / vs FY2019 H1 +0.6%]

- Increased compared to FY2021 H1 mainly due to an increase in sales of foreign currency-denominated products at Group companies.

Core operating profit

↘ **¥261.6 billion**

[vs FY2021 H1 -34.3% / vs FY2019 H1 -4.6%]

- Decreased mainly due to an increase in payments related COVID-19 at Group companies.

Domestic life insurance
Individual insurance/ annuities

Annualized new premium

➡ **¥177.1 billion**

[vs FY2021 H1 +0.1% / vs FY2019 H1 -13.4%]

- Flat compared to FY2021 H1 as Nippon Life decreased mainly because of the revision of premiums rate for savings-type products, etc., but Nippon Wealth Life and Taiju Life increased sales of foreign-currency-denominated products.

Annualized premium in force

➡ **¥4,590.4 billion**

[vs end March-22 +0.5%]

- Increased compared to the end of FY2021 mainly due to an increase of Nippon Wealth Life despite a decrease of Nippon Life.

GROUP

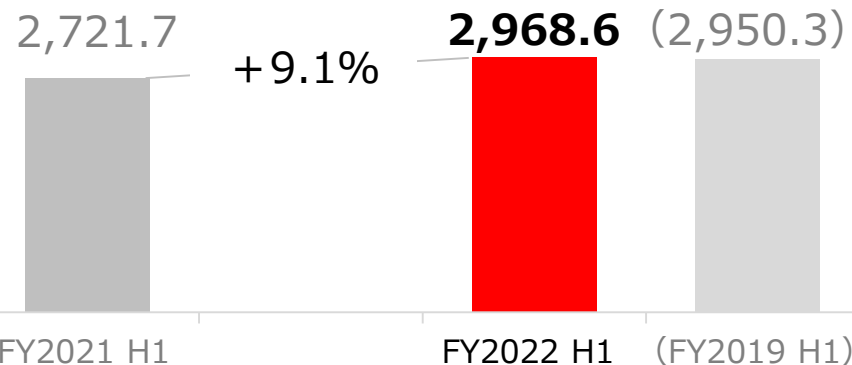
Business outlook

Increase in revenue and decrease in profit

- Revenues from insurance and reinsurance are expected to increase mainly due to an increase in sales of foreign currency-denominated products.
- Core operating profit is expected to decrease mainly due to an increase in benefit payments related to COVID-19.

② Revenues from insurance and reinsurance/Core operating profit

Revenues from insurance and reinsurance (Billions of Yen)

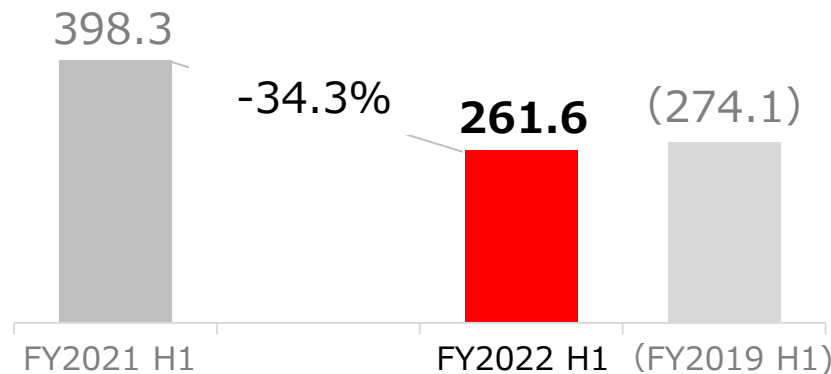


	FY2022 H1	vs FY2021 H1	vs FY2019 H1
Revenues from insurance and reinsurance	2,968.6	+9.1%	+0.6%
Nippon Life	2,217.1	+3.3%	-3.7%
Taiju Life	413.6	+45.7%	+9.3%
Nippon Wealth Life	212.4	+17.3%	+33.9%
Hanasaku Life	9.8	+69.2%	*
MLC	97.3	+10.2%	+7.4%

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

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

Core operating profit (Billions of Yen)



	FY2022 H1	vs FY2021 H1	vs FY2019 H1
Core operating profit	261.6	-34.3%	-4.6%
Investment yield margin	195.0	+23.9%	+489.9%
Insurance-related gains and losses	67.8	-71.2%	-71.6%
Nippon Life	267.4	-26.9%	+6.5%
Taiju Life	8.6	-53.7%	-33.1%
Nippon Wealth Life	-1.2	*	*
Hanasaku Life	-11.9	-41.4%	-313.4%
MLC	-0.1	+65.1%	*

※ 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 with adjustment based on the stock ownership ratio and some internal transactions, and excluding interest rate fluctuations.

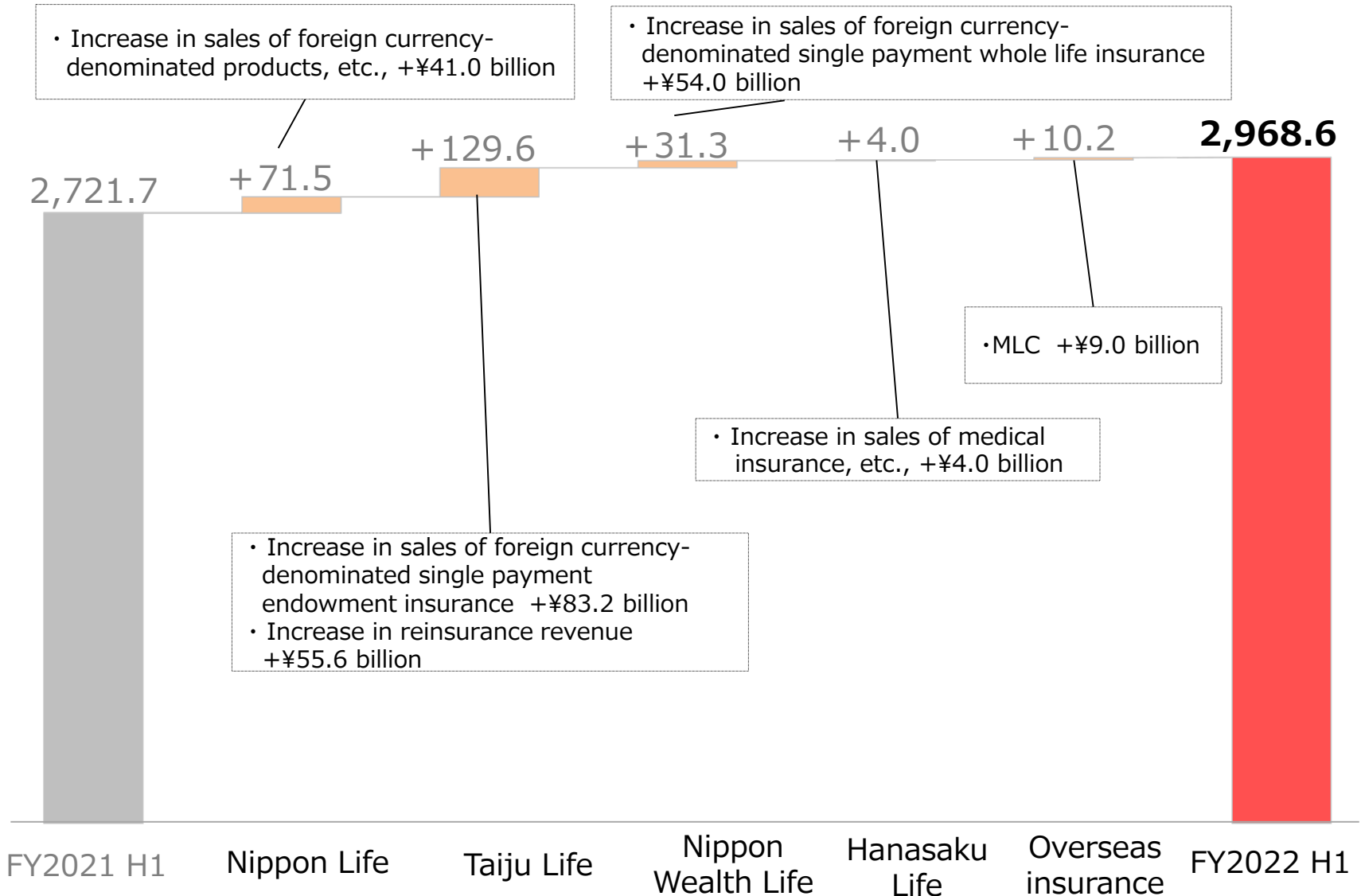
※ Investment yield margin and insurance-related gains and losses are based on the total amount of domestic life insurance.

※ Based on the calculation method of core operating profit applied since FY2022.

* Increase rates cannot be calculated because the figures for FY2022 H1 were negative whereas those for FY2019 H1 were positive.

③ Revenues from insurance and reinsurance

(Billions of Yen)

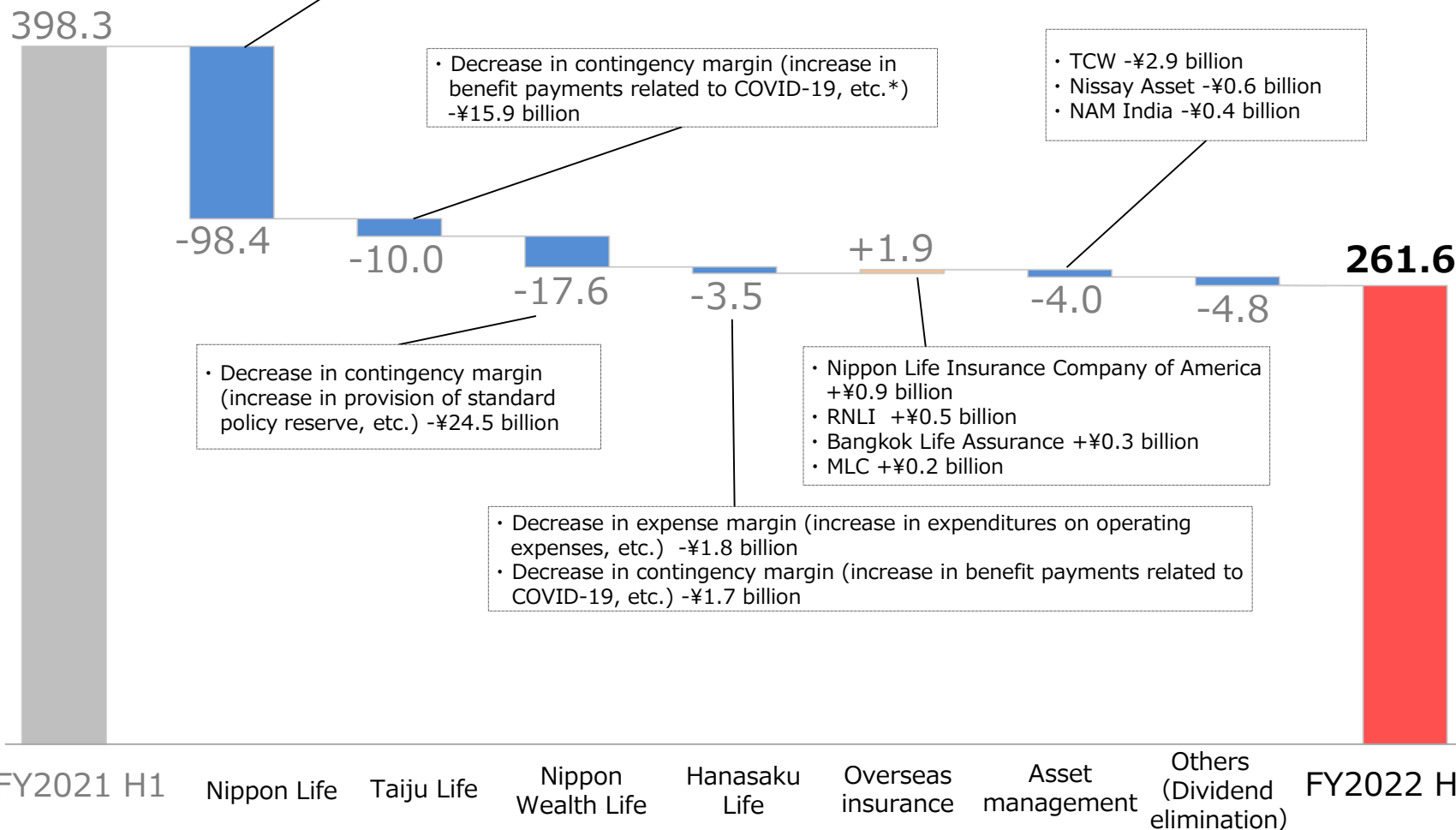


※ Total figures are consolidated revenues from insurance and reinsurance from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, Nissay Plus SSI, MLC and Nippon Life Insurance Company of America.

4 Core operating profit

- Decrease in contingency margin (increase in benefit payments related to COVID-19, etc.*) -¥137.3 billion
- Increase in investment yield margin (depreciation of the yen, increase in investment trust distributions, etc.) +¥28.4 billion

(Billions of Yen)

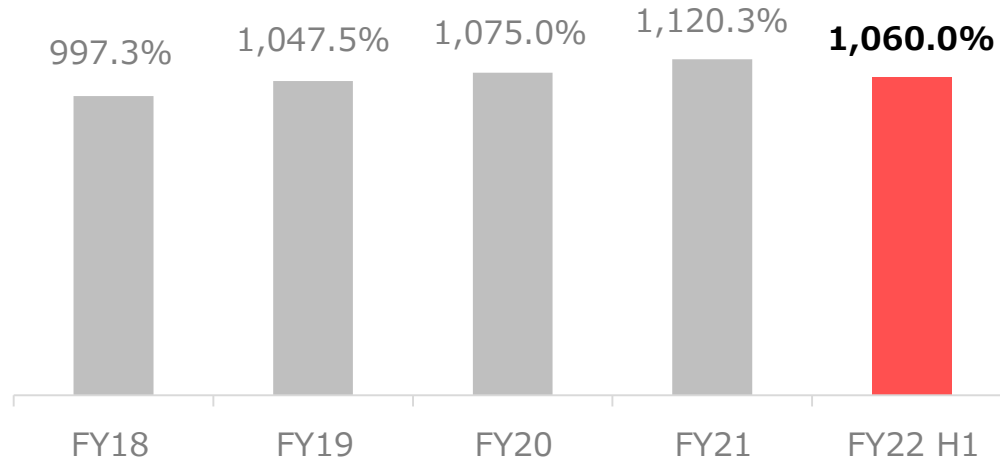


※ Total figures are calculated based on core operating profit from Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life and net income before taxes of overseas life insurance subsidiaries and affiliates and domestic and overseas asset management subsidiaries and affiliates with adjustment based on the stock ownership ratio and some internal transactions, and excluding interest rate fluctuations.
 ※ [Company names] Nissay Asset: Nissay Asset Management Corporation, RNLI: Reliance Nippon Life Insurance Company Limited, NAM India: Nippon Life India Asset Management Limited
 ※ Based on the calculation method of core operating profit applied since FY2022.
 * Includes reserve for outstanding claims.

5 Soundness

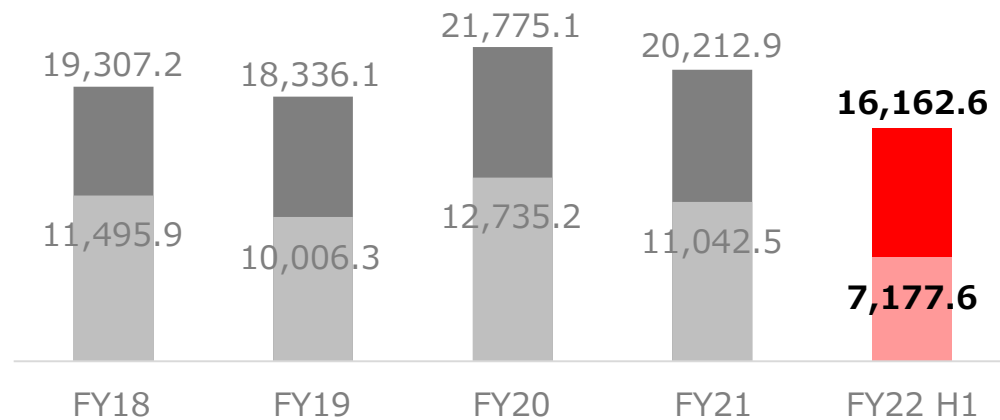
- Solvency margin ratio declined compared to the end of FY2021 due to a decrease in unrealized gains on other available-for-sale securities.
- Real net assets decreased compared to the end of FY2021 due to a decrease in unrealized gains on securities.

Solvency margin ratio



Real net assets

(Billions of Yen)



Unrealized gains/losses on securities

※ 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.

⑥ Statements of income/Balance sheet

Statements of income

- Ordinary income and net surplus decreased compared to FY2021 H1.

(Billions of Yen)

	FY2022 H1	vs FY2021 H1
Ordinary income	5,001.9	+20.5%
Revenue from insurance and reinsurance	2,968.6	+9.1%
Investment income	1,907.7	+46.9%
Ordinary expenses	4,961.5	+35.6%
Benefits and other payments	2,683.1	+19.9%
Investment expenses	767.4	+474.7%
Operating expenses	401.3	+0.1%
Ordinary profit	40.3	-91.8%
(Core operating profit)	261.6	-34.3%
Extraordinary gains and losses	-26.4	+82.3%
Net surplus (income)	26.6	-89.6%

Balance sheet

- Total assets decreased and total liabilities increased compared to the end of FY2021.
- Net assets decreased compared to end of FY2021.

(Billions of Yen)

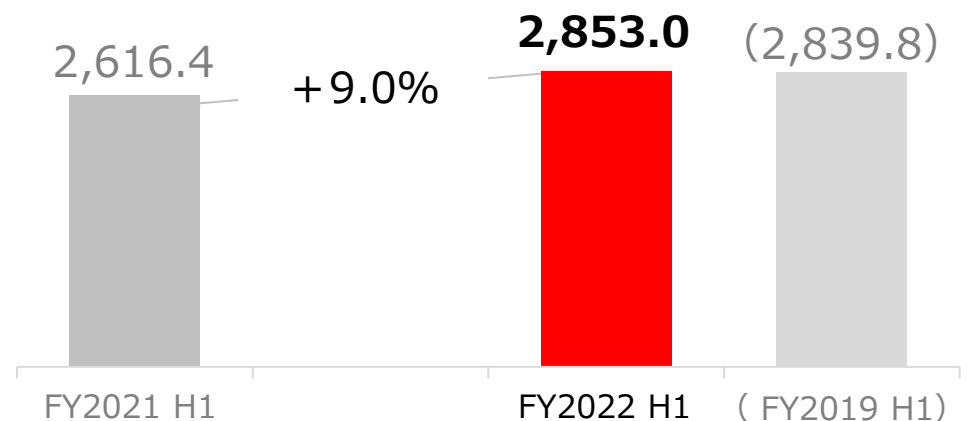
	As of Sep-22	vs end Mar-22
Assets	87,711.5	-0.8%
Investments in securities	71,832.5	-2.1%
Loans	8,599.0	+1.9%
Tangible fixed assets	1,875.9	+0.0%
Liabilities	81,386.8	+1.3%
Policy reserves and other reserves	70,977.5	+1.5%
Policy reserves	69,432.7	+1.3%
Reserve for price fluctuations	1,702.9	+1.1%
Net assets	6,324.7	-21.5%

① Revenues from insurance and reinsurance

- Increased compared to FY2021 H1 mainly due to an increase in the bancassurance channel through an increase in sales of foreign currency-denominated products.
- Increased compared to FY2019 H1 due to an increase in sales in the agency channel, etc.

Revenues from insurance and reinsurance (domestic total)

(Billions of Yen)



	FY2022 H1	vs FY2021 H1	vs FY2019 H1
Revenue from insurance and reinsurance (domestic total)	2,853.0	+9.0%	+0.5%
Individual insurance and individual annuities	1,960.5	+9.6%	-0.2%
Sales representative channel	1,372.9	+3.6%	+0.5%
Agency channel	243.6	+23.6%	+9.9%
Bancassurance channel	343.9	+28.6%	-8.7%
Group insurance	145.1	+0.7%	+4.3%
Group annuities	611.7	+1.5%	-1.9%

※ Sum of figures of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life.

② New policies

- Annualized premiums on new policies for individual insurance and annuities were flat compared to FY2021 H1, but decreased compared to FY2019 H1.
- The number of policies and amount of coverage, etc., decreased compared to FY2021 H1 and FY2019 H1.

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium			Number of policies			Amount of coverage, etc.,		
	FY2022 H1	vs FY2021 H1	vs FY2019 H1	FY2022 H1	vs FY2021 H1	vs FY2019 H1	FY2022 H1	vs FY2021 H1	vs FY2019 H1
Domestic total	177.1	+0.1%	-13.4%	2.40	-0.9%	-8.2%	3,739.5	-19.2%	-15.8%
Sales representative channel	82.0	-13.1%	-15.6%	2.23	-2.6%	-10.2%	2,428.9	-28.1%	-35.2%
Agency channel	33.8	+16.5%	+101.3%	0.11	+15.9%	+88.6%	904.5	-6.4%	+236.7%
Bancassurance channel	61.0	+14.1%	-32.7%	0.04	+54.2%	-26.6%	399.4	+42.0%	-6.1%
Nippon Life	105.9	-8.5%	-8.0%	2.23	-2.1%	-10.1%	2,702.8	-27.5%	-29.8%
Taiju Life	16.1	+33.1%	-14.6%	0.06	+3.6%	-35.9%	364.2	+8.2%	-19.1%
Nippon Wealth Life	50.4	+11.2%	-27.6%	0.02	+47.6%	+92.0%	273.0	+46.7%	+92.1%
Hanasaku Life	4.6	+21.7%	+430.7%	0.07	+23.9%	+437.9%	399.4	+6.5%	-

③ Policies in force

- In terms of policies in force for individual insurance and annuities, annualized premium and number of policies increased, but amount of coverage, etc., decreased.
- Group insurance and annuities decreased.

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium		Number of policies		Amount of coverage, etc.	
	As of Sep-22	vs end Mar-22	As of Sep-22	vs end Mar-22	As of Sep-22	vs end Mar-22
Domestic total	4,590.4	+0.5%	38.22	+0.8%	173,405.5	-0.9%
Nippon Life	3,751.2	-0.5%	34.95	+0.7%	151,402.4	-1.3%
Taiju Life	512.9	+0.2%	2.57	-0.8%	16,996.9	-1.8%
Nippon Wealth Life	306.7	+12.8%	0.37	+5.0%	3,804.0	+11.6%
Hanasaku Life	19.4	+25.2%	0.31	+25.9%	1,202.1	+43.6%

Group insurance/annuities

	Group insurance (Amount of coverage, etc.)		Group annuities (AUM, etc.)	
	As of Sep-22	vs end Mar-22	As of Sep-22	vs end Mar-22
Domestic total	109,456.7	-0.3%	18,416.5	-0.4%
Nippon Life	98,358.1	+0.1%	14,062.2	+1.2%
Taiju Life	11,098.5	-4.2%	728.1	-6.8%

※ The domestic total of group insurance and annuities represents the sum of figures of Nippon Life, Taiju Life and Nippon Wealth Life.

The domestic total for group annuities includes the investment advisory balance of Nissay Asset Management (¥2,911.6 billion) and investment trusts in defined contribution pension plans (¥713.4 billion for Nippon Life's sales representative).

【Reference】 Payment of benefits for COVID-19

■ Death benefits (Approx.)

		FY2022 H1
Death benefits		1,330 cases ¥11.21 billion
	Accident/Injury rider	210 cases ¥1.46 billion

■ Hospitalization benefits (Approx.)

		FY2022 H1
Hospitalization benefits		613,210 cases ¥84.58 billion
	Hospitalization at an extraordinary facility	589,030 cases ¥80.46 billion

【Reference】 FY2021 Insurance benefits for the COVID-19

■ Death benefits (Approx.)

		FY2021	
		H1	
Death benefits		1,930 cases ¥16.39 billion	1,110 cases ¥9.56 billion
	Accident/Injury rider	300 cases ¥1.79 billion	170 cases ¥1.12 billion

■ Hospitalization benefits (Approx.)

		FY2021	
		H1	
Hospitalization benefits		151,610 cases ¥22.68 billion	38,440 cases ¥5.80 billion
	Hospitalization at an extraordinary facility	133,500 cases ¥19.88 billion	29,160 cases ¥4.34 billion

① Business outlook

- Nippon Life Group's business outlook for FY2022 is an increase in revenue and a decrease in profit.
- Revenues from insurance and reinsurance are expected to increase mainly due to an increase in sales of foreign currency-denominated products.
- Core operating profit is expected to decrease mainly due to a decrease in the contingency margin caused by an increase in benefit payments related to COVID-19 and the investment yield margin caused by an increase in hedge costs.

(Billions of Yen, Millions of Australian Dollars)

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

※ The Group total is consolidated revenues from insurance and reinsurance 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 with adjustment based on the stock ownership ratio and some internal transactions, and excluding interest rate fluctuations.

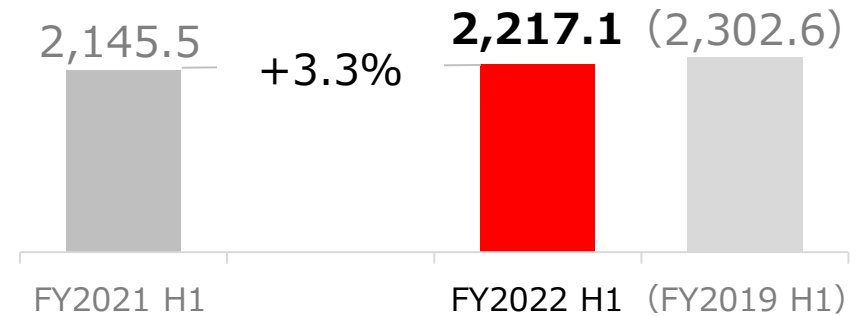
※ MLC's revenues from insurance and reinsurance are premium revenue. Core operating profit is calculated by stock ownership ratio excluding interest rate fluctuation factors, etc. from net income before taxes (on a local currency basis).

**【Reference】
Status of each
Group company**

【Reference】 Nippon Life (nonconsolidated): Revenue and Profit

- Revenue increased and profit decreased compared to FY2021 H1.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of foreign currency-denominated products caused by a rise in overseas interest rates.
- Core operating profit decreased mainly due to a significant decrease in the contingency margin accompanying higher benefits payments related to COVID-19 despite an increase in the investment yield margin caused by depreciation of the yen, an increase in investment trust distributions, etc.

Revenues from insurance and reinsurance (Billions of Yen)



Core operating profit



	FY2022 H1	vs FY2021 H1	vs FY2019 H1
Core operating profit	267.4	-26.9%	+6.5%
Investment yield margin	180.2	+18.7%	+351.5%
Expense margin	25.6	+69.1%	+47.6%
Contingency margin	61.6	-69.0%	-68.2%

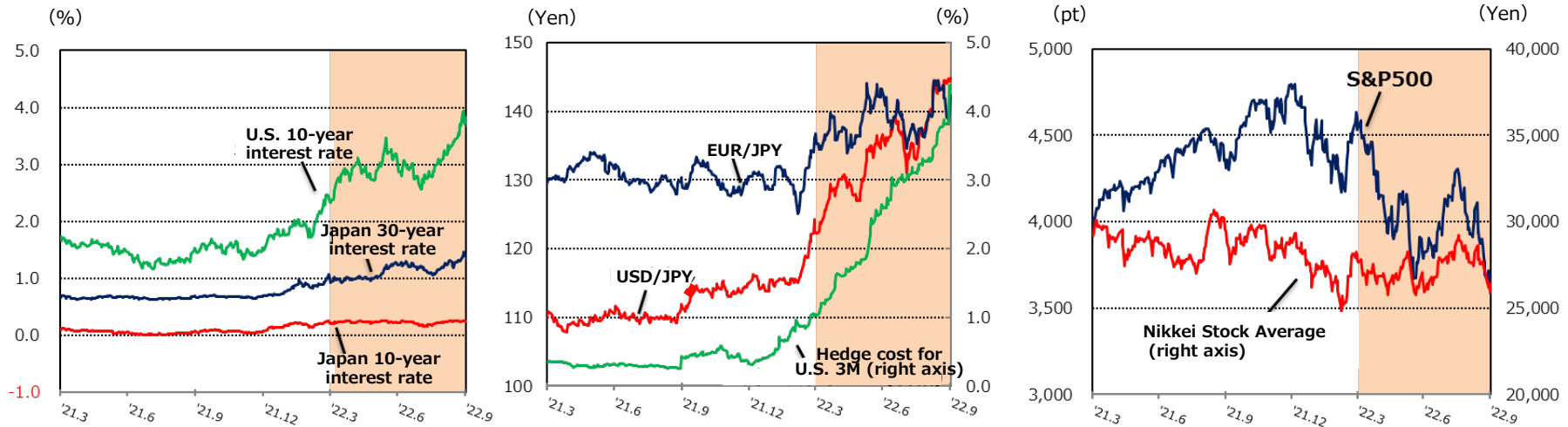
【Reference】 Nippon Life (nonconsolidated): Asset management

- Net investment income decreased compared to FY2021 H1.
- Investment income increased mainly due to an increase in interest, dividends, and other income and foreign exchange gains.
- Investment expenses increased due to an increase in loss on sale of securities.

Net investment income (General account) (Billions of Yen)

	FY2022 H1	vs FY2021 H1
Investment income	1,361.3	+203.5
Interest, dividends, and other income	920.6	+164.8
Gain on sales of securities	355.0	-42.1
Foreign exchange gains	71.9	+71.9
Investment expenses	501.5	+412.8
Loss on sale of securities	423.2	+404.4
Loss on valuation of securities	4.9	+3.1
Loss on derivative financial instruments, net	8.3	+7.0
Net investment income	859.7	-209.3

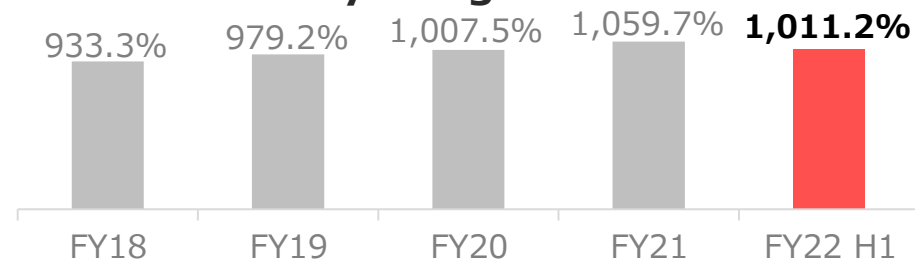
Market Conditions



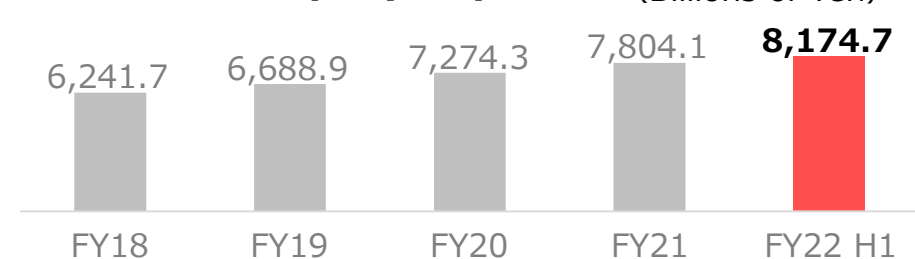
【Reference】 Nippon Life (nonconsolidated): Soundness

- Solvency margin ratio declined compared to the end of FY2021 due to a decrease in unrealized gains on other available-for-sale securities.
- Unrealized gains on securities decreased compared to the end of FY2021 due to a rise in domestic and overseas interest rates and a decrease in stock prices.

Solvency Margin Ratio



Equity capital (Billions of Yen)



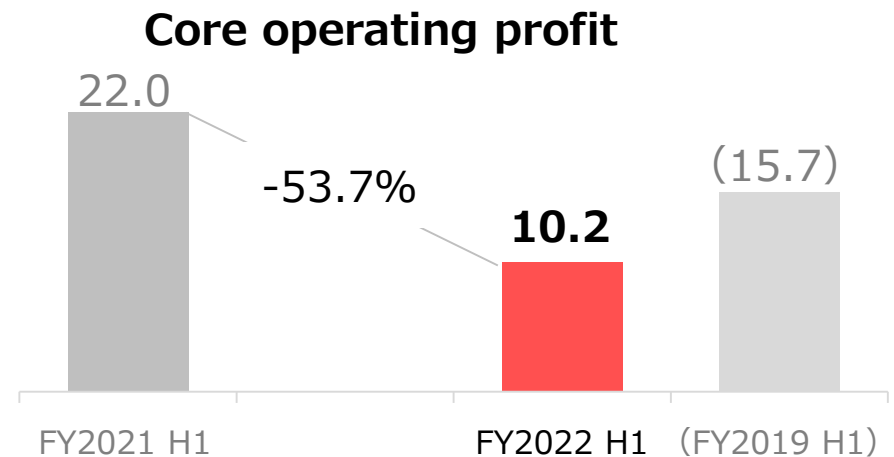
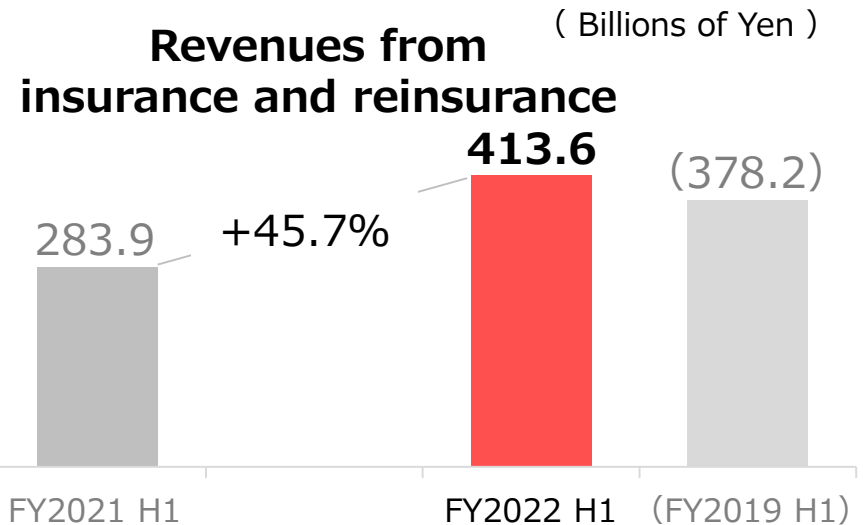
Unrealized gains/losses on securities (Billions of Yen)

	As of Sep-2022	vs end Mar-22
Investments in securities	7,396.2	-3,282.7
Domestic bonds	597.4	-1,537.6
Domestic stocks	5,016.8	-608.1
Foreign securities	1,839.1	-973.1
Others	-57.2	-163.6

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

[Reference] Taiju Life

- Revenue increased and profit decreased compared to FY2021 H1.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of foreign currency-denominated single payment endowment insurance.
- Core operating profit decreased due to a decrease in the contingency margin through an increase in benefit payments related to COVID-19.



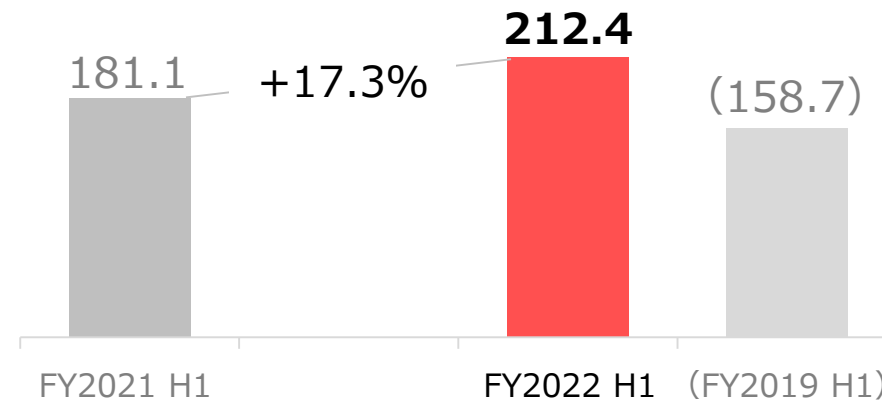
※ Nonconsolidated figures are shown.

[Reference] Nippon Wealth Life

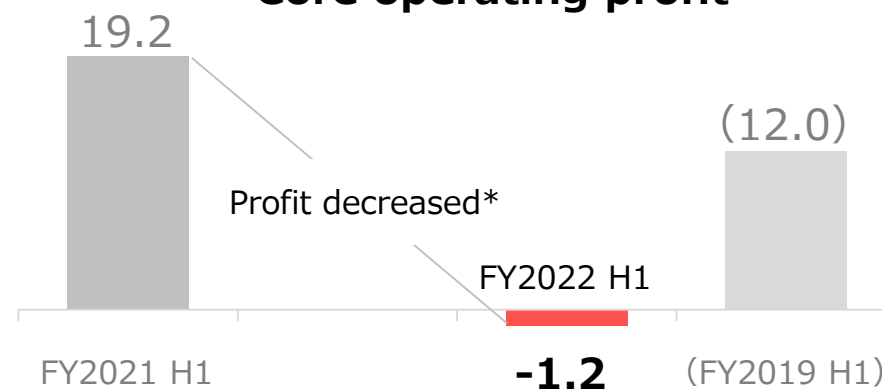
- Revenue increased and profit decreased compared to FY2021 H1.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of foreign currency-denominated single payment whole life insurance.
- Core operating profit decreased due to an increase in the contingency margin caused by provision of standard policy reserve.

(Billions of Yen)

Revenues from insurance and reinsurance



Core operating profit



※ Nonconsolidated figures are shown.

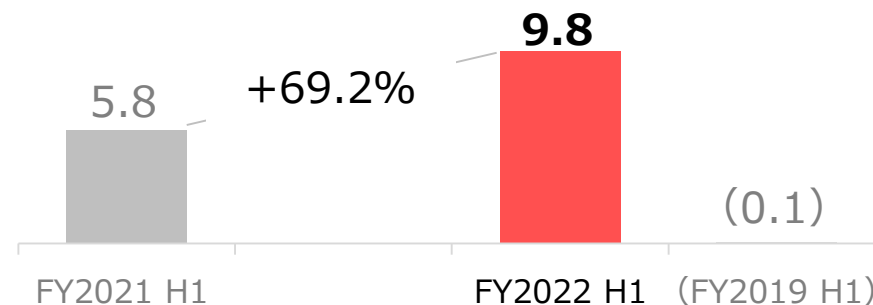
* Increase rate cannot be calculated because the figure for FY2022 H1 was negative whereas that for FY2019 H1 was positive.

[Reference] Hanasaku Life

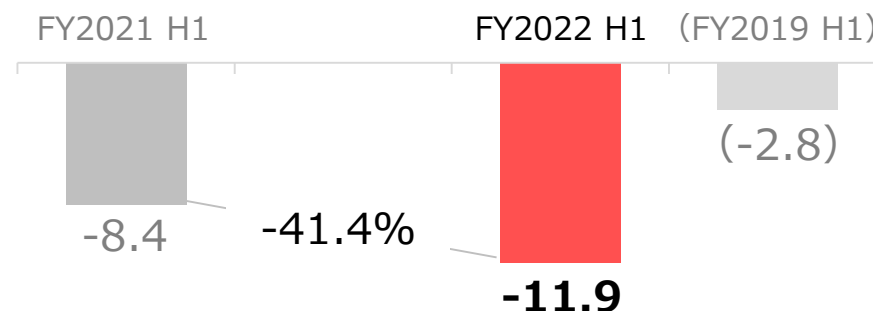
- Revenue increased and profit decreased compared to FY2021 H1.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of medical insurance, etc.
- Core operating profit decreased mainly due to an increase in expenditures on operating expenses, etc. for business expansion.

(Billions of Yen)

Revenues from insurance and reinsurance



Core operating profit



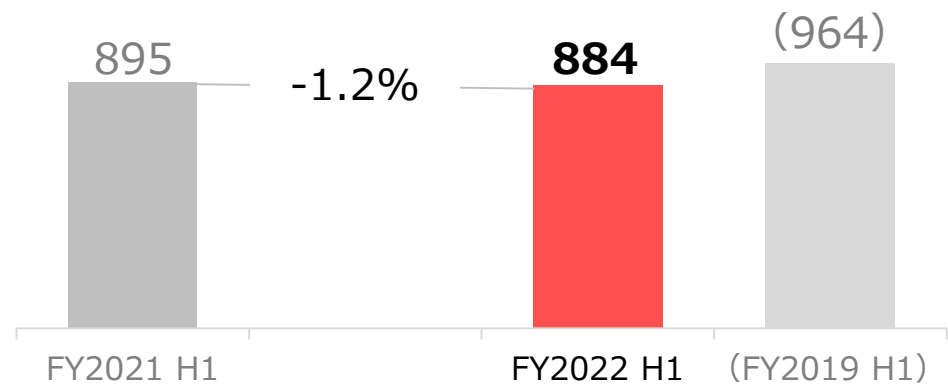
※ Nonconsolidated figures are shown.

【Reference】 MLC

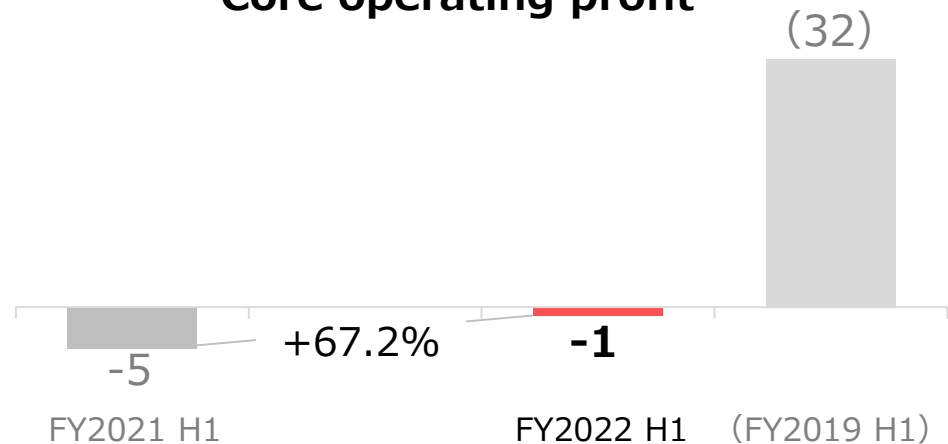
- Premium revenue decreased compared to the first six months of 2021, but core operating profit improved.
- Premium revenue decreased due to a decrease in bancassurance, etc.
- Core operating profit improved mainly due to a decrease in benefit payments for group insurance.

(Millions of Australian Dollars)

Premium revenue



Core operating profit



※ Nonconsolidated figures are shown.

※ H1 performance reflects consolidated results for January to June.