

# Overview of Financial Results for the Six Months Ended September 30, 2023

November 22, 2023

Nippon Life Insurance Company

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

## ① Highlights

## GROUP

## Revenues from insurance and reinsurance



¥4,108.9 billion

(Comprises insurance premiums of ¥3,567.5 billion  
and reinsurance revenue of ¥541.3 billion)

+38.4% YoY

- Increased mainly due to an increase in sales of the single payment products of Nippon Life and Nippon Wealth Life.

## Core operating profit



¥357.7 billion

+38.0% YoY

- Increased mainly due to an increase in the risk margin primarily through a decrease in benefit payments related to COVID-19.

Domestic life insurance  
Individual insurance/ annuities

## Annualized new premium



¥253.1 billion

+42.9% YoY

- Increased mainly due to an increase in sales of the single payment products of Nippon Life and Nippon Wealth Life.

## Annualized premium in force



¥4,694.2 billion

vs end March-23 +2.2%

- Increased compared to the end of FY2022 mainly due to an increase of Nippon Wealth Life.

## GROUP

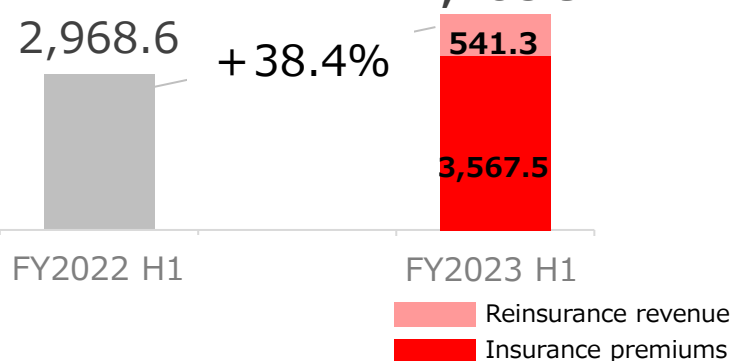
## Business outlook for FY2023

### Increases in revenue and profit

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

## ② Revenues from insurance and reinsurance/Core operating profit

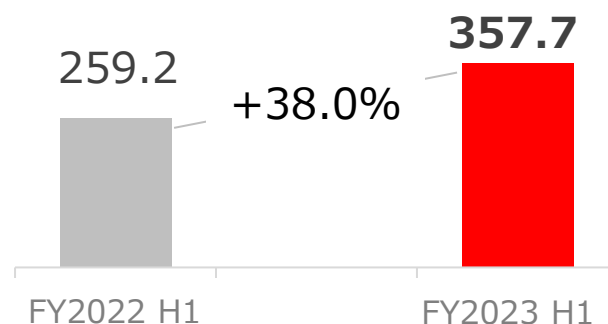
### Revenues from insurance and reinsurance (Billions of Yen)



	FY2023 H1	YoY change
Revenues from insurance and reinsurance	4,108.9	+38.4%
Insurance premiums	3,567.5	+25.6%
Reinsurance revenue	541.3	+320.4%
Nippon Life	2,604.3	+17.5%
Taiju Life	405.1	-2.0%
Nippon Wealth Life	956.4	+350.1%
Hanasaku Life	14.3	+45.6%
MLC	106.7	+9.7%

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

### Core operating profit (Billions of Yen)



	FY2023 H1	YoY change
Core operating profit	357.7	+38.0%
Investment yield margin	130.7	-33.0%
Insurance-related gains and losses	216.2	+218.9%
Nippon Life	339.6	+27.0%
Taiju Life	7.1	-17.5%
Nippon Wealth Life	12.0	(+13.3)*
Hanasaku Life	- 11.9	+0.6%
MLC	6.0	(+8.5)*

※ Total figures are calculated based on core operating profit of 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 amount of domestic life insurance.

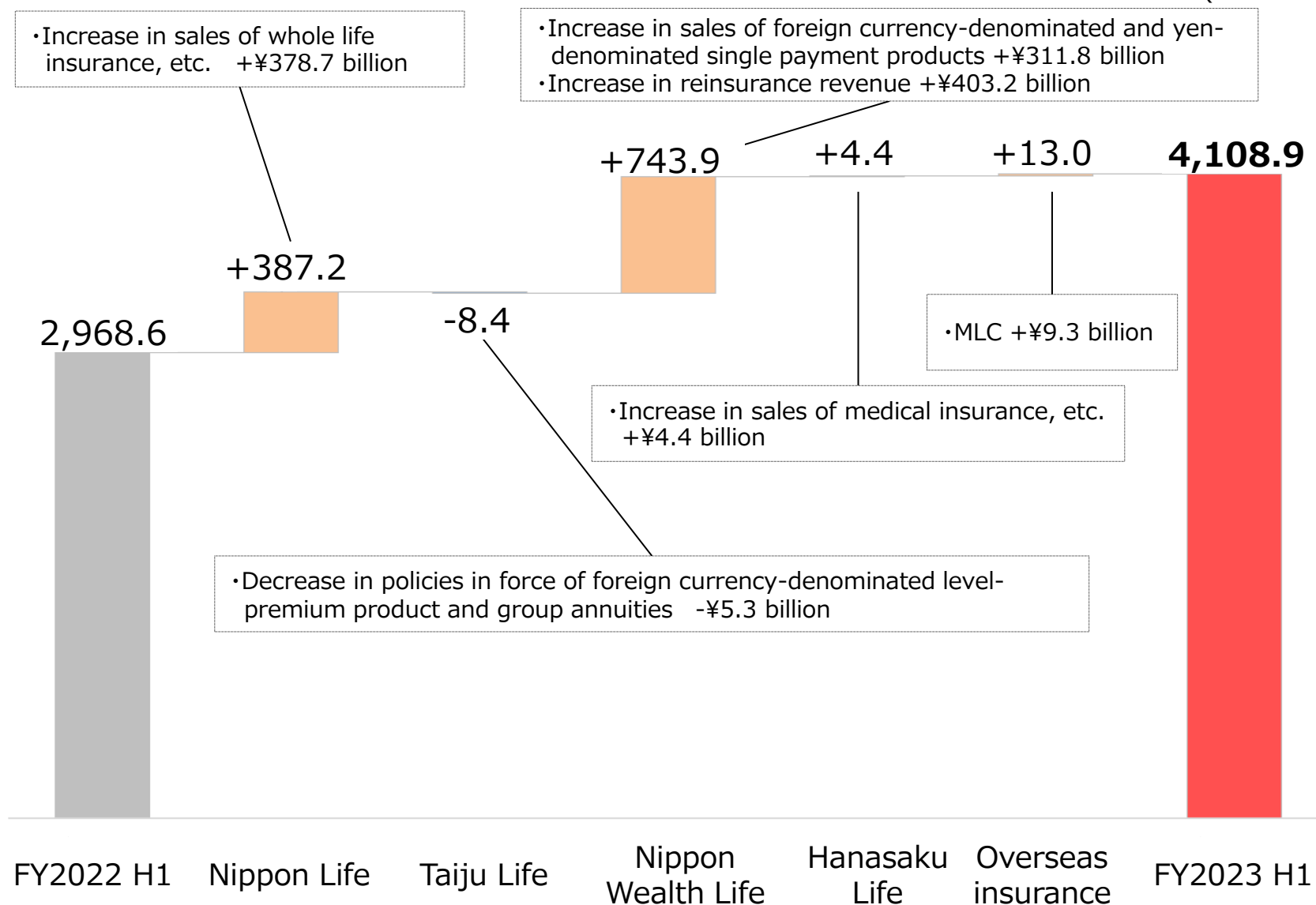
※ Figures for subsidiaries are calculated based on the stock ownership ratio during each fiscal year.

※ Figures of both FY2023 H1 and FY2022 H1 for MLC are under the new accounting standard.

\* Increase rates cannot be calculated because the figures of FY2023 H1 were positive, whereas those of FY2022 H1 were negative.

## ③ Revenues from insurance and reinsurance

(Billions of yen)



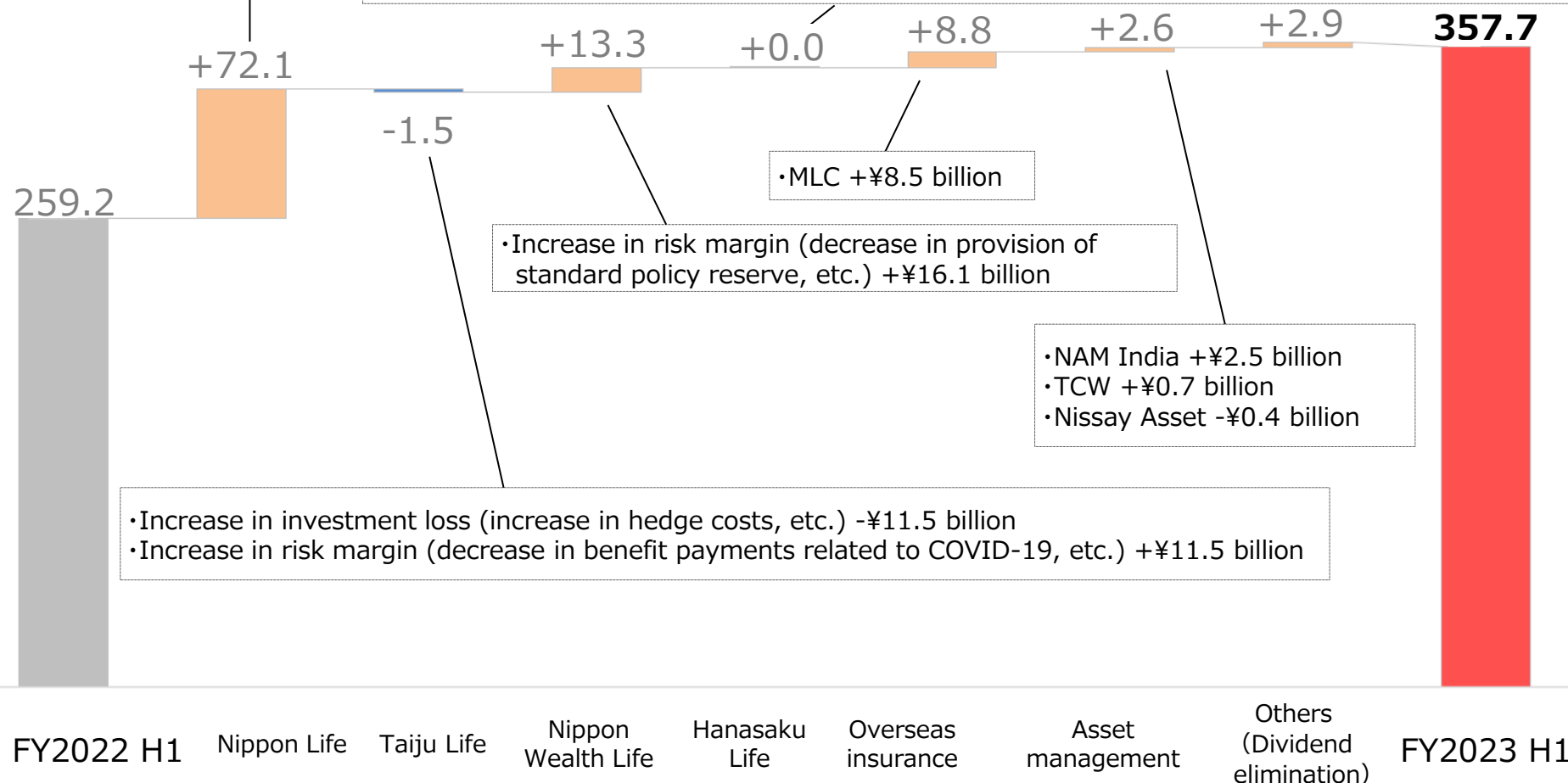
※ Total figures are consolidated revenues from insurance and reinsurance of Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, Nissay Plus SSI, MLC and Nippon Life Insurance Company of America.

## ④ Core operating profit

- Increase in risk margin (decrease in benefit payments related to COVID-19, etc.) +¥125.9 billion
- Decrease in investment yield margin (increase in hedge costs, etc.) -¥47.4 billion

(Billions of yen)

- Increase in risk margin (decrease in benefit payments related to COVID-19, etc.) +¥2.4 billion
- Increase in expense loss (increase in expenditures on operating expenses, etc.) -¥2.3 billion



※ Total figures are calculated based on core operating profit of 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.

※ [Company names] Nissay Asset: Nissay Asset Management Corporation, NAM India: Nippon Life India Asset Management Limited

※ Figures of both FY2023 H1 and FY2022 H1 for MLC are under the new accounting standard.

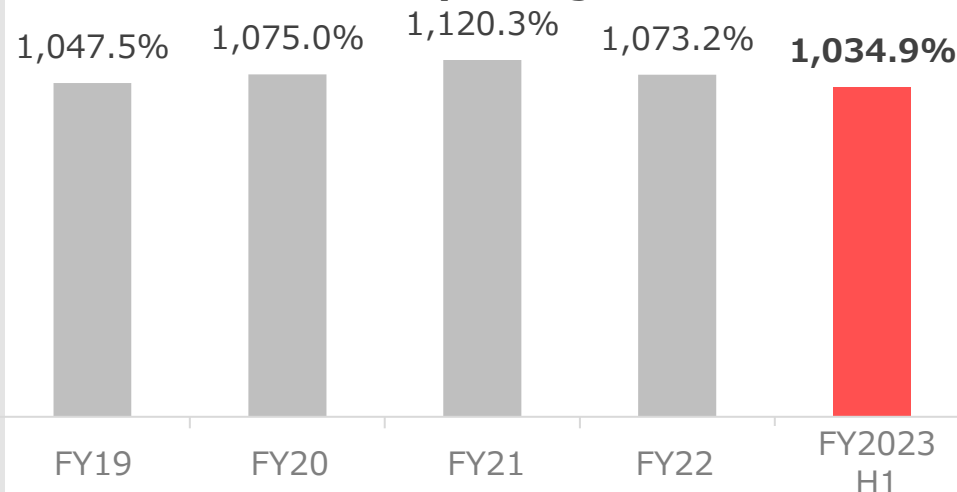
## ⑤ Soundness

- Solvency margin ratio and real net assets decreased compared to the end of FY2022 due to a rise in interest rates.
- Economic Solvency Ratio (ESR\*), which is the solvency ratio based on economic value, was approximately 240% (estimate) as of the end of September 2023.

<Reference> 244% as of the end of March 2023

\* A soundness indicator that represents capital adequacy relative to the amount of risk. It is calculated using Nippon Life's internal model.

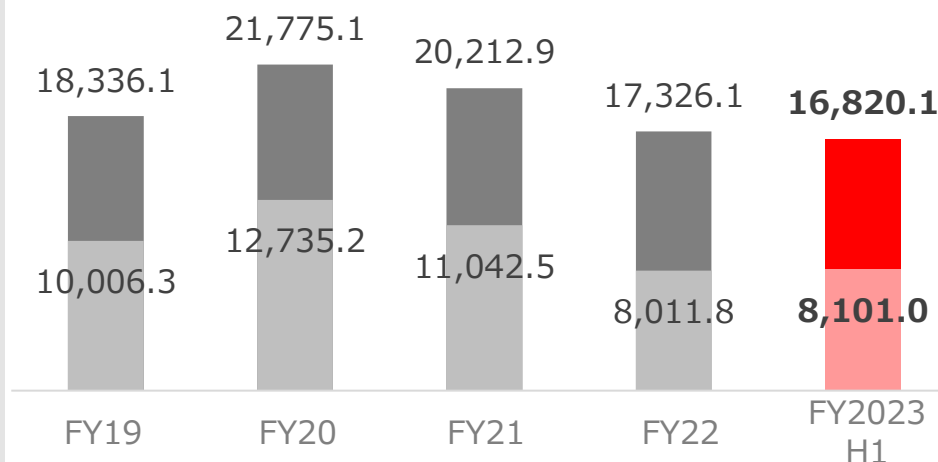
## Solvency margin ratio



※MLC's figures as of the end of September 2023 and the end of FY2022 are both based on the new accounting standard.

(Billions of yen)

## Real net asset



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.

※MLC's figures as of the end of September 2023 and the end of FY2022 are both based on the new accounting standard.

## ⑥ Statements of income/Balance sheet

## Statements of income

- Ordinary profit increased year on year.
- Net surplus increased year on year.

(Billions of Yen)

	FY2023 H1	YoY change
Ordinary income	6,056.5	+21.3%
Revenue from insurance and reinsurance	4,108.9	+38.4%
Investment income	1,816.2	-4.4%
Ordinary expenses	5,910.5	+20.1%
Benefits and other payments	3,061.5	+12.7%
Investment expenses	651.3	-14.1%
Operating expenses	393.8	+5.0%
Ordinary profit	145.9	+104.6%
Extraordinary gains and losses	-28.6	-8.3%
Net surplus (income)	101.5	+132.4%

## Balance sheet

- Total assets and liabilities increased compared to the end of March 2023.
- Net assets increased compared to the end of March 2023.

(Billions of Yen)

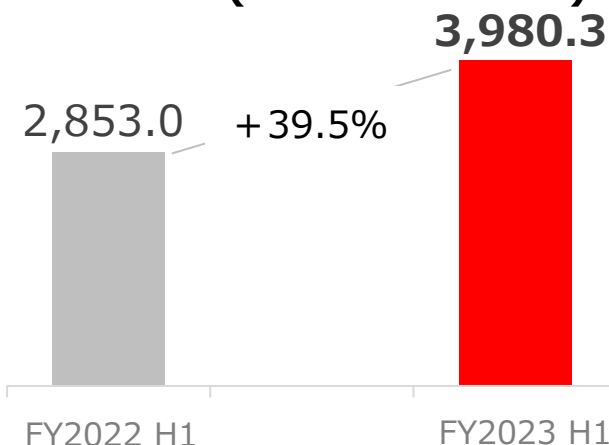
	As of end Sep-23	vs end Mar-23
Assets	92,367.9	+5.4%
Investments in securities	76,303.9	+5.5%
Loans	8,886.4	+2.9%
Tangible fixed assets	1,864.0	+0.3%
Liabilities	84,614.3	+4.9%
Policy reserves and other reserves	73,233.2	+2.4%
Policy reserves	71,762.6	+2.3%
Reserve for price fluctuations	1,706.9	+1.3%
Net assets	7,753.5	+11.4%



## ① Revenues from insurance and reinsurance

- Increased mainly due to an increase in the sales representative channel and in the financial institution over-the-counter distribution channel.

### Revenues from insurance and reinsurance (domestic total) ( Billions of Yen )



	FY2023 H1	YoY change
Revenue from insurance and reinsurance (domestic total)	3,980.3	+ 39.5%
Individual insurance and individual annuities	2,723.2	+ 38.9%
Sales representative channel	1,683.8	+ 22.6%
Agency channel	279.2	+ 14.6%
Financial institution over-the-counter distribution channel	760.1	+ 121.0%
Group insurance	148.2	+ 2.1%
Group annuities	566.0	- 7.5%

※ Sum of figures of Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life and Nissay Plus SSI

※ From FY2023, the bancassurance channel has been changed to the financial institution over-the-counter distribution channel.

## ② New policies

■ Annualized premiums and amount of coverage, etc. on new policies for individual insurance and individual annuities increased, while the number of policies decreased.

### Individual insurance/annuities

(Billions of Yen, Millions of policies)

## Annualized premium\*

## Number of policies

## Amount of coverage, etc.

FY2023  
H1YoY  
changeFY2023  
H1YoY  
changeFY2023  
H1YoY  
change

Domestic total

253.1

+42.9%

2.01

-16.2%

4,023.9

+7.6%

Sales representative channel

93.7

+14.3%

1.77

-20.6%

2,148.8

-11.5%

Agency channel

38.1

+12.9%

0.13

+17.4%

1,021.7

+13.0%

Financial institution over-the-counter  
distribution channel

120.7

+97.8%

0.09

+100.0%

838.9

+110.0%

Nippon Life

122.6

+15.8%

1.78

-20.0%

2,451.4

-9.3%

Taiju Life

18.3

+13.7%

0.07

+6.6%

380.2

+4.4%

Nippon Wealth Life

106.3

+111.0%

0.06

+130.0%

651.9

+138.8%

Hanasaku Life\*

5.7

+23.9%

0.09

+26.7%

540.3

+35.3%

\*Annualized new premium, including overseas, is approximately ¥257.0 billion (estimate).

### 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 increased.

#### Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium		Number of policies		Amount of coverage, etc.	
	As of Sep-23	vs end Mar-23	As of Sep-23	vs end Mar-23	As of Sep-23	vs end Mar-23
Domestic total	4,694.2	+2.2%	38.36	+0.0%	170,107.1	-0.7%
Nippon Life	3,746.0	+0.1%	34.89	-0.3%	146,828.0	-1.6%
Taiju Life	514.0	+1.5%	2.52	-0.9%	16,337.9	-1.2%
Nippon Wealth Life	405.2	+26.0%	0.47	+12.8%	4,777.4	+20.7%
Hanasaku Life	28.9	+18.5%	0.47	+19.4%	2,163.6	+27.6%

※Annualized premium in force, including overseas, is approximately ¥4.92 trillion (estimate).

#### Group insurance/annuities

Group insurance  
(Amount of coverage, etc.)

Group annuities  
(AUM, etc.)

	Group insurance (Amount of coverage, etc.)		Group annuities (AUM, etc.)	
	As of Sep-23	vs end Mar-23	As of Sep-23	vs end Mar-23
Domestic total	108,727.0	+0.1%	19,495.9	+4.7%
Nippon Life	97,758.9	+0.3%	14,034.7	-0.4%
Taiju Life	10,968.1	-0.9%	663.6	+0.3%

※ 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 (¥3,900.9 billion) and investment trusts in defined contribution pension plans (¥895.3 billion for Nippon Life's sales representative).

## ① Business outlook for FY2023

- Nippon Life Group's business outlook for FY2023 is an increase in revenue and profit.
- Revenues from insurance and reinsurance are expected to increase mainly due to an increase in sales of single payment products.
- Core operating profit is expected to increase mainly due to an increase in the risk margin caused by a decrease in benefit payments related to COVID-19.

(Billions of Yen, Millions of Australian Dollars)

	Revenues from insurance and reinsurances		Core Operating Profit	
	FY2022	FY2023 (outlook)	FY2022	FY2023 (outlook)
Group total	6,373.5		479.4	
(excluding MLC)	(6,165.1)	Increase* <sup>2</sup> (Approx. 7,000.0)	(472.6)	Increase* <sup>2</sup> (Approx. 600.0)
Nippon Life	4,647.9	Increase	498.8	Increase
Taiju Life	884.8	Decrease	17.3	Decrease
Nippon Wealth Life	570.5	Increase	-29.4	Increase
Hanasaku Life	22.2	Increase	-24.6	Decrease
MLC* <sup>1</sup>	1,840	—	75	—

\*1 A new accounting standard that conforms to IFRS 17 has been applied since FY2023 in Australia. Results for FY2022 are based on the former accounting standard.

\*2 Increase or decrease is based on the results for FY2022 and outlook for FY2023 excluding MLC.

※ The Group total is consolidated revenues from insurance and reinsurance from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, Nissay Plus SSI 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).

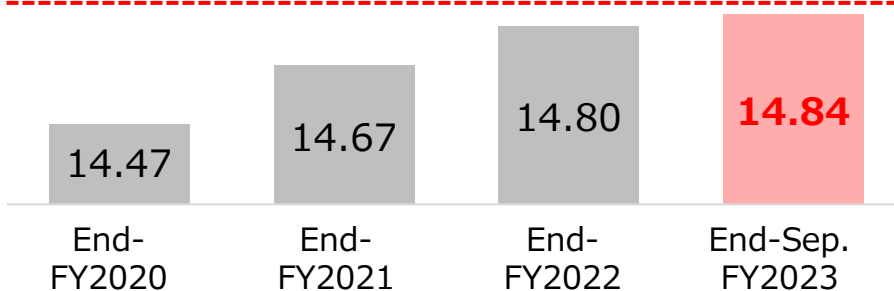
# [Reference] Status of progress on achieving the numerical targets of MTMP (2021-2023)

- Annualized premium in force and core operating profit are progressing steadily toward numerical targets, but additional efforts are necessary to achieve the target for number of customers.
- Capital increased YoY, but it was lower than initial forecast due to the impact of COVID-19 payments. Meanwhile, soundness has steadily improved mainly due to measures to reduce risk.

## Number of Customers (Domestic Group)

(Millions of People)

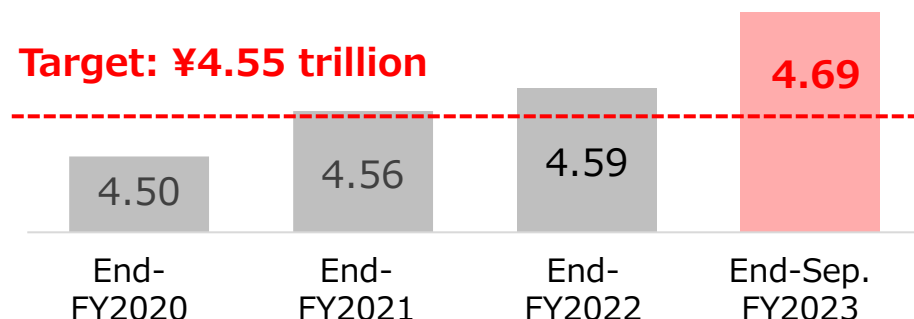
**Target: 14.90 million people**



## Annualized Premium in Force (Domestic Group)

(Trillions of yen)

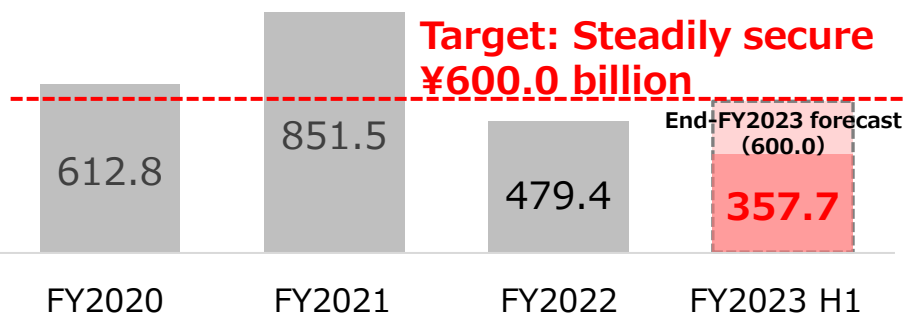
**Target: ¥4.55 trillion**



## Core Operating Profit (Group)

(Billions of yen)

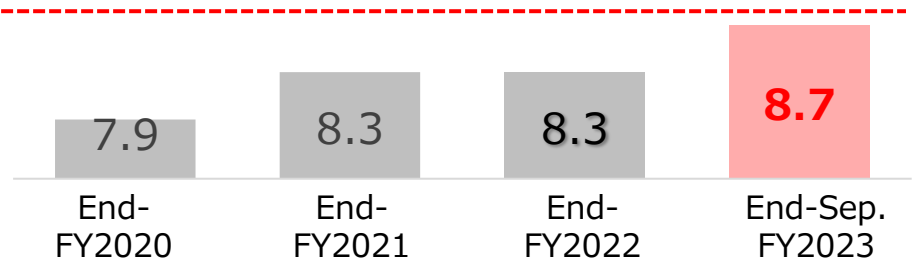
**Target: Steadily secure  
¥600.0 billion**



## Capital (Group)

(Trillions of yen)

**Target: ¥ 9.0 trillion**



※All figures are based on the calculation method for core operating profit applied since FY2022.

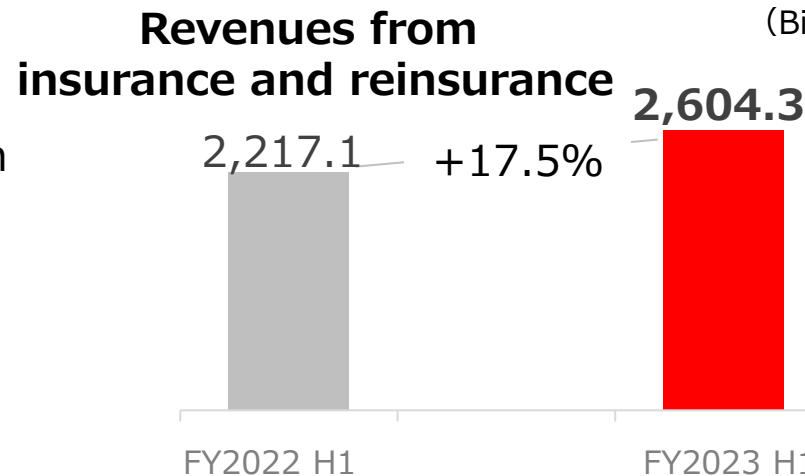
※MLC's figures as of the end of September 2023 and the end of FY2022 are both based on the new accounting standard.

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

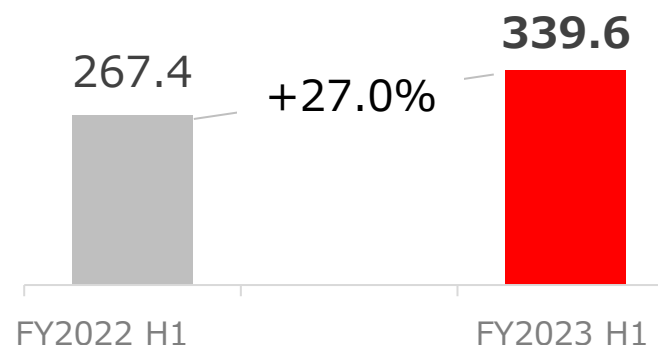
# 【Reference】 Nippon Life (nonconsolidated): Revenue and Profit

(Billions of Yen)

- Revenue and profit increased year on year at Nippon Life on a nonconsolidated basis.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of yen-denominated whole life insurance in the sales representative channel.
- Core operating profit increased due to an increase in the risk margin through a decrease in benefit payments related to COVID-19, while there was a decline in the investment yield margin caused by an increase in hedge costs.



## Core operating profit



	FY2023 H1	YoY change
Core operating profit	339.6	+ 27.0%
Investment yield margin	132.8	-26.3%
Expense margin	19.2	-24.8%
Risk margin	187.5	+ 204.3%

# [Reference] Nippon Life (nonconsolidated): Asset management

- Net investment income decreased year on year.
- Investment income decreased mainly due to a decrease in gain on sales of securities.
- Investment expenses decreased mainly due to a decrease in loss on sale of securities, while there was an increase in loss on derivative financial instrument, net.

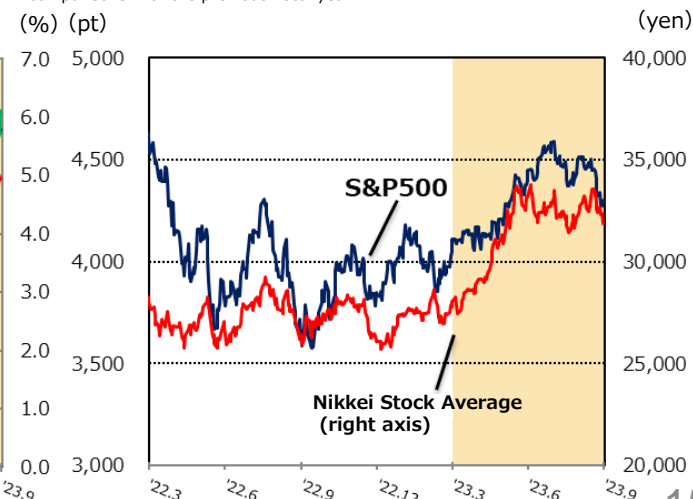
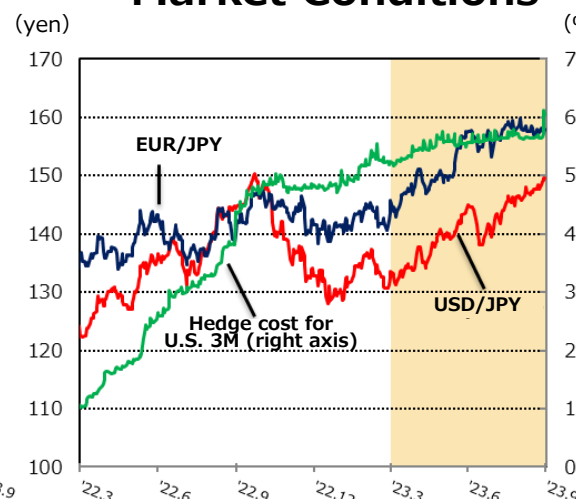
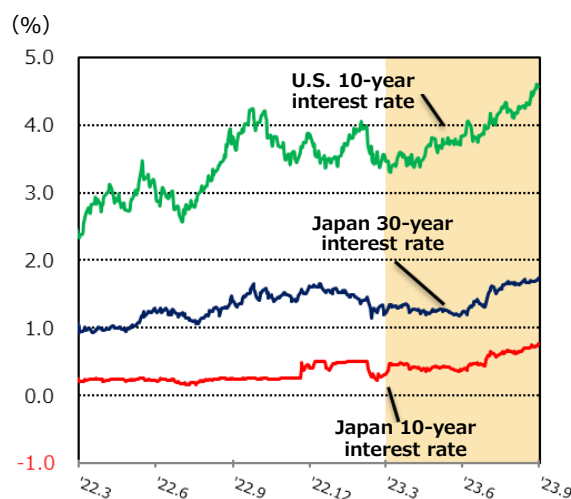
## Net investment income (General account)

(Billions of Yen)

	FY2023 H1	YoY Change
Investment income	1,133.2	-224.4
Interest, dividends, and other income	790.2	-10.0
Gain on sales of securities	221.4	-254.0
Foreign exchange gains	113.9	+38.6
Investment expenses	429.6	-68.2
Loss on sale of securities	236.4	-186.7
Loss on valuation of securities	1.8	-3.0
Loss on derivative financial instruments, net	130.7	+122.3
Net investment income	703.5	-156.1

※ Some accounting treatments have been changed from FY2023 with the objective of aligning with those of Taiju Life, and retroactively adjusted figures are shown for comparisons with the previous fiscal year.

## Market Conditions

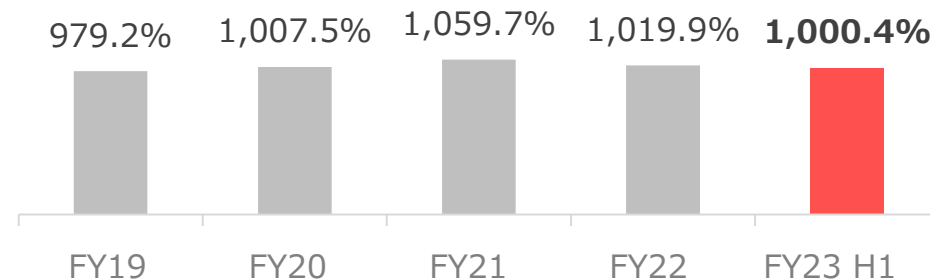




# 【Reference】 Nippon Life (nonconsolidated): Soundness

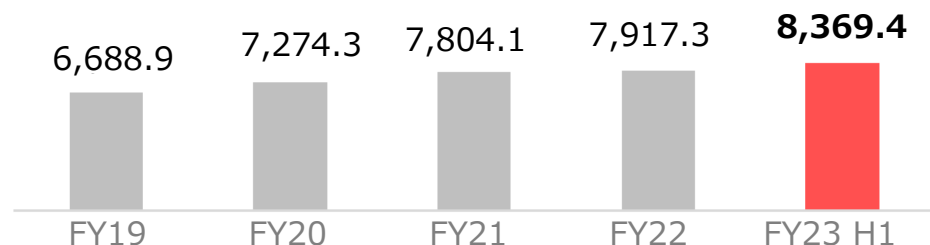
- Solvency margin ratio decreased compared to the end of March 2023 due to a rise in interest rates.
- Unrealized gains on securities increased compared to the end of March 2023 due to a rise in domestic stock prices.

## Solvency Margin Ratio



## Capital

(Billions of Yen)



## Unrealized gains/losses on securities

(Billions of Yen)

	As of Sep-2023	vs end Mar-23
Investments in securities	8,511.6	+436.2
Domestic bonds	-828.8	-1,580.1
Domestic stocks	7,300.7	+1,685.2
Foreign securities	2,087.9	+362.5
Others	-48.2	-31.4

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

# [Reference] Nippon Life (nonconsolidated): Retention rate, numbers of agencies and sales representatives

(Reference)

	End-FY2023 H1	vs end FY2022	vs end FY2022 H1	End- FY2022	End- FY2022 H1
New 6-month retention rate	97.5%	-0.4pt	-0.2pt	97.9%	97.7%
Total 13-month comprehensive retention rate	95.9%	-	+0.1pt	95.9%	95.8%
Agencies (agencies)	19,094	+61	+255	19,033	18,839
Financial institution	298	+1	+3	297	295
Sales representatives (people)	48,936	-1,345	-2,606	50,281	51,542

※ New 6-month retention rate represents the retention rate for new policies in the 6th month of monthly payments.

※ Total 13-month comprehensive retention rate is the total for new and converted policies and represents the retention rate in the 13 month, including all premium payment methods of monthly, annual and single payment.

※ New 6-month retention rate as of end-FY2023 H1 is for new policies from September 2022 to February 2023.

※ New 6-month retention rate as of end-FY2022 covers new policies from September 2021 to August 2022.

※ New 6-month retention rate as of end-FY2022 H1 covers new policies from September 2021 to February 2022.

※ Total 13-month comprehensive retention rate as of end-FY2023 H1 covers new and converted policies from January to June 2022.

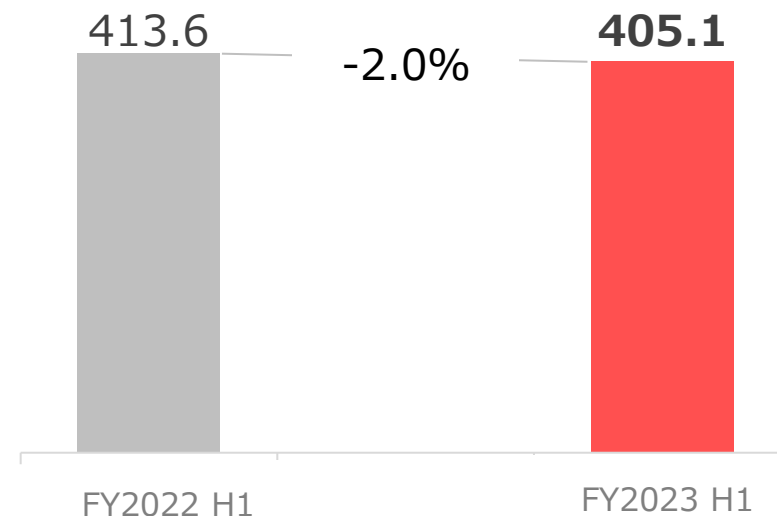
※ Total 13-month comprehensive retention rate as of end-FY2022 covers new and converted policies from January to December 2021.

※ The total 13-month comprehensive retention rate as of end-FY2022 H1 covers new and converted policies from January to June 2021.

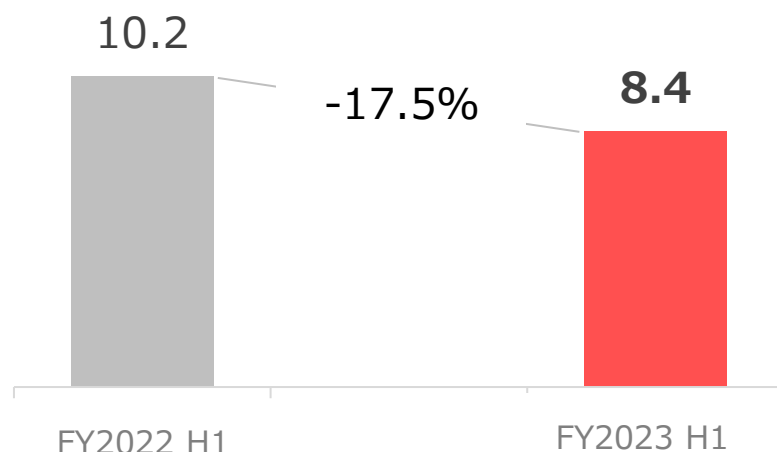
## 【Reference】 Taiju Life

- Revenue and profit decreased year on year.
- Revenues from insurance and reinsurance decreased due to a decrease in policies in force of foreign currency-denominated level-premium product and group annuities.
- Core operating profit decreased mainly due to an increase in the investment loss caused by an increase in hedge costs, while there was an increase in the risk margin through a decrease in benefit payments related to COVID-19.

### Revenues from insurance and reinsurance ( Billions of Yen )



### Core operating profit

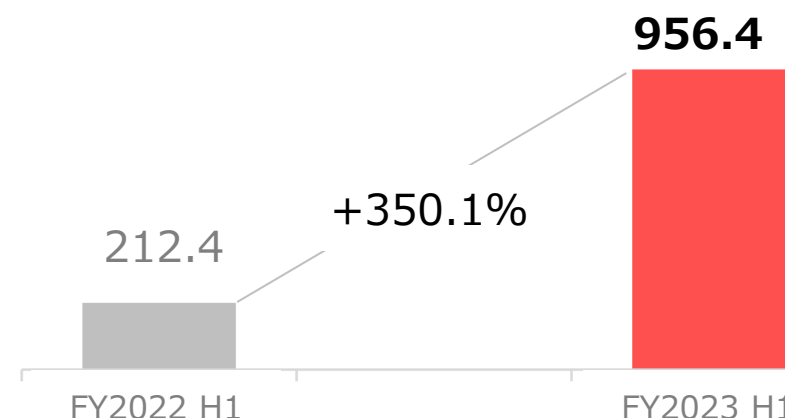


※ Nonconsolidated figures are shown.

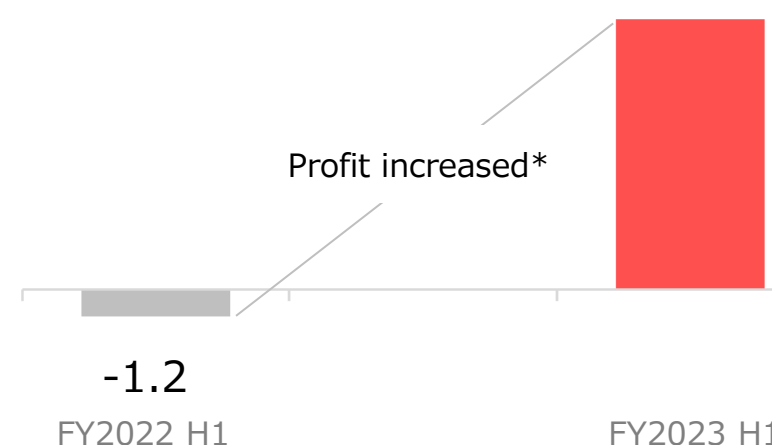
# 【Reference】 Nippon Wealth Life

- Revenue and profit increased year on year.
- Revenues from insurance and reinsurance increased mainly due to increases in sales of foreign currency-denominated and yen-denominated single payment products and reinsurance revenue.
- Core operating profit increased due to an increase in the risk margin through a decrease in provision of standard policy reserve.

## Revenues from insurance and reinsurance ( Billions of Yen )



## Core operating profit



※ Nonconsolidated figures are shown.

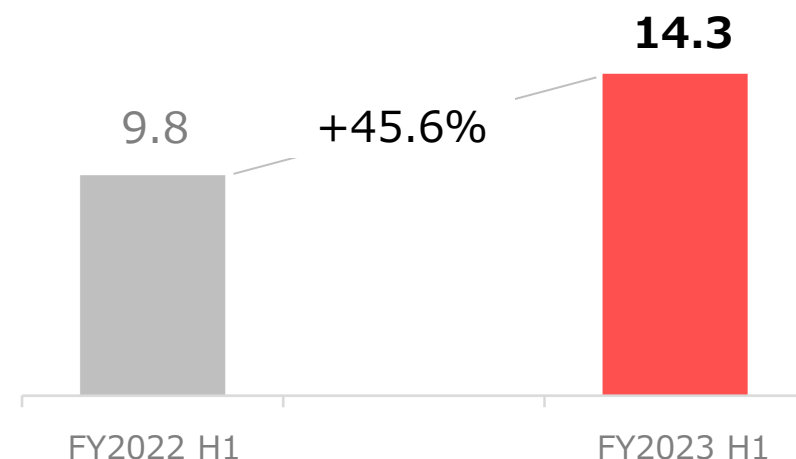
\* Variance cannot be calculated because the figures of FY2023 H1 were positive, whereas those of FY2022 H1 were negative.

## 【Reference】 Hanasaku Life

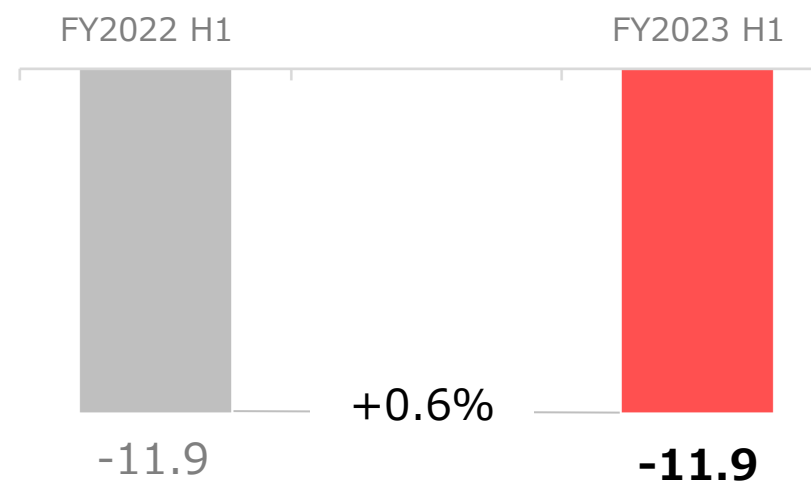
- Revenue and profit increased year on year.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of medical insurance, etc.
- Core operating profit increased mainly due to an increase in the risk margin through a decrease in benefit payments related to COVID-19, while there was an increase in the expense loss mainly through an increase in expenditures on operating expenses, etc. for business expansion.

### Revenues from insurance and reinsurance

(Billions of Yen)



### Core operating profit



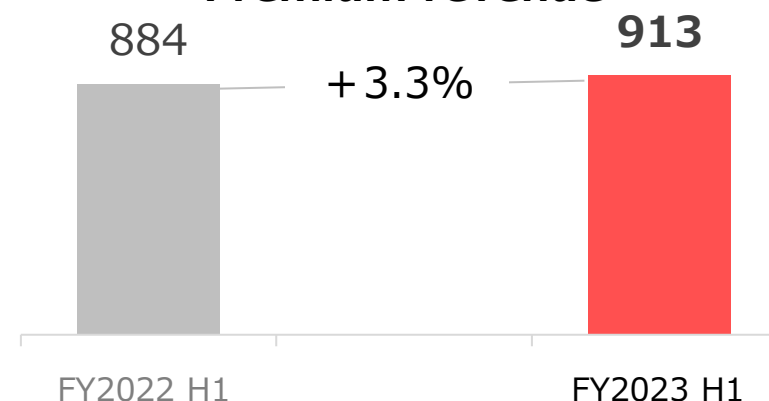
※ Nonconsolidated figures are shown.

## [Reference] MLC

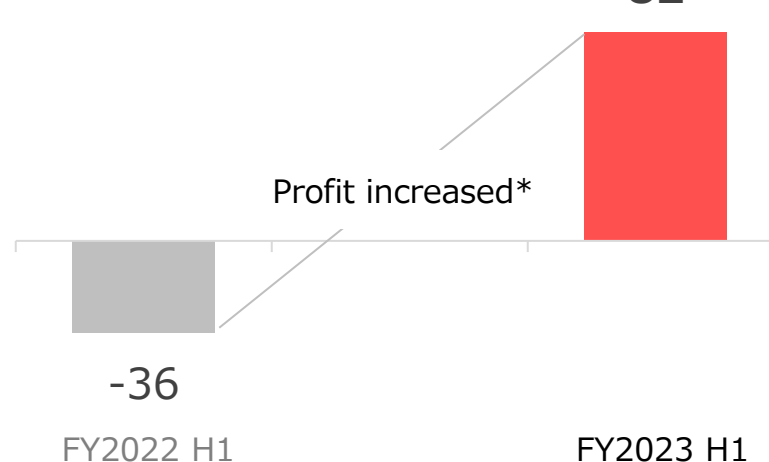
(Millions of Australian Dollars)

- Premium revenue and core operating profit increased compared to FY2022 H1.
- Premium revenue increased mainly due to a rise in premium and an increase in sales volume.
- Core operating profit increased mainly due to an improvement in group insurance profitability.

### Premium revenue



### Core operating profit



※ Nonconsolidated figures are shown.

※ H1 performance reflects consolidated results for January to June.

※ Premium revenue is shown based on an earned basis Japanese accounting standards (the former accounting standard).

\* Variance cannot be calculated because the figures of FY2023 H1 were positive, whereas those of FY2022 H1 were negative.