

## Nippon Life Announces Its New Mid-Term Management Plan (2024-2026)

—Over-Deliver on Customer Expectations in Offering Peace of Mind and Reach Out to a Larger Community of Customers —

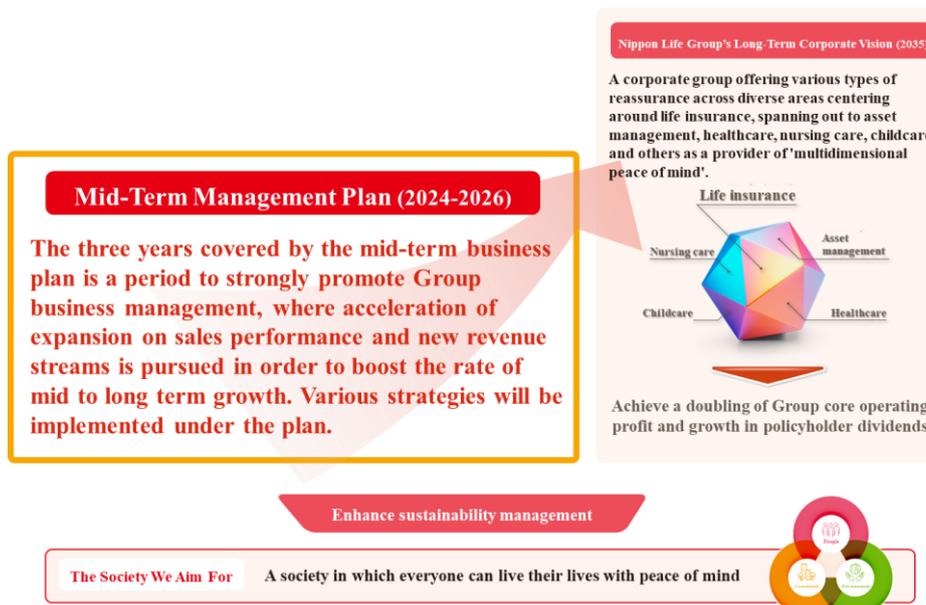
Nippon Life Insurance Company (President: Hiroshi Shimizu, hereinafter, “Nippon Life”) hereby announces that it has formulated its New Mid-Term Management Plan (2024-2026).

### 1. Positioning of the New Mid-Term Management Plan

During the Mid-Term Management Plan “Going Beyond (2021-2023),” Nippon Life delivered a wide range of accomplishments, including growth in the number of customers through the use of digital technology and unified Group-wide market development, as well as strengthened risk resilience. However, the recovery in production within the mainstay sales representative channel was only halfway complete. The Group’s business environment is expected to change discontinuously and grow more uncertain in the future. It is thus crucial to ensure that the Group continues to carry out long-term stable management even in this environment. To do so, the Group will strive to enhance sustainability management, with the goal of creating a society in which everyone can live their lives with peace of mind.

For this, the Group has established a long-term corporate vision to become “a corporate group offering various types of reassurance across diverse areas centering around life insurance, spanning out to asset management, healthcare, nursing care, childcare and others as a provider of ‘multidimensional peace of mind’.” While expanding the value it provides to society in the form of “peace of mind,” the Group will earn greater trust from customers. Targeting 2035, it will endeavor to double Group core operating profit and increase policyholder dividends.

The New Mid-Term Management Plan (2024-2026) is the first step towards realizing this long-term vision. The three years covered by the mid-term business plan is a period to strongly promote Group business management, where acceleration of expansion on sales performance and new revenue streams is pursued in order to boost the rate of mid to long term growth. Various strategies will be implemented under the plan.



2. Outline of the New Mid-Term Management Plan

Under the New Mid-Term Management Plan (2024-2026), the Group has adopted “Over-deliver on customer expectations in offering peace of mind and reach out to a larger community of customers” as the plan’s theme. This theme encapsulates the Group’s desire to make unified Group-wide efforts to implement sustainability management, create new value unique to the Group, and provide that value broadly to customers and society. Keeping “customer-oriented business operations” in mind, the Group will implement measures across the five strategic directions listed below.



Please see the attachment for details.

# Mid-Term Management Plan 2024-2026

*Over-Deliver on Customer Expectations  
in Offering Peace of Mind and Reach Out  
to a Larger Community of Customers*

Enhance today for your future



NISSAY

Nippon Life Insurance Company

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#### ◎ Positioning

#### ◎ Numerical Targets

#### ◎ Mid-Term Management Plan Theme and 5 Strategic Directions

- Enhance value of our insurance business in the domestic market
- Offer peace of mind in the domestic market in an even more multidimensional way
- Expand the global business
- Advance the financial strategy to the next stage  
(Asset management, capital, policyholder dividends)
- Build a stronger business foundation

#### ◎ Customer-oriented business operations

1

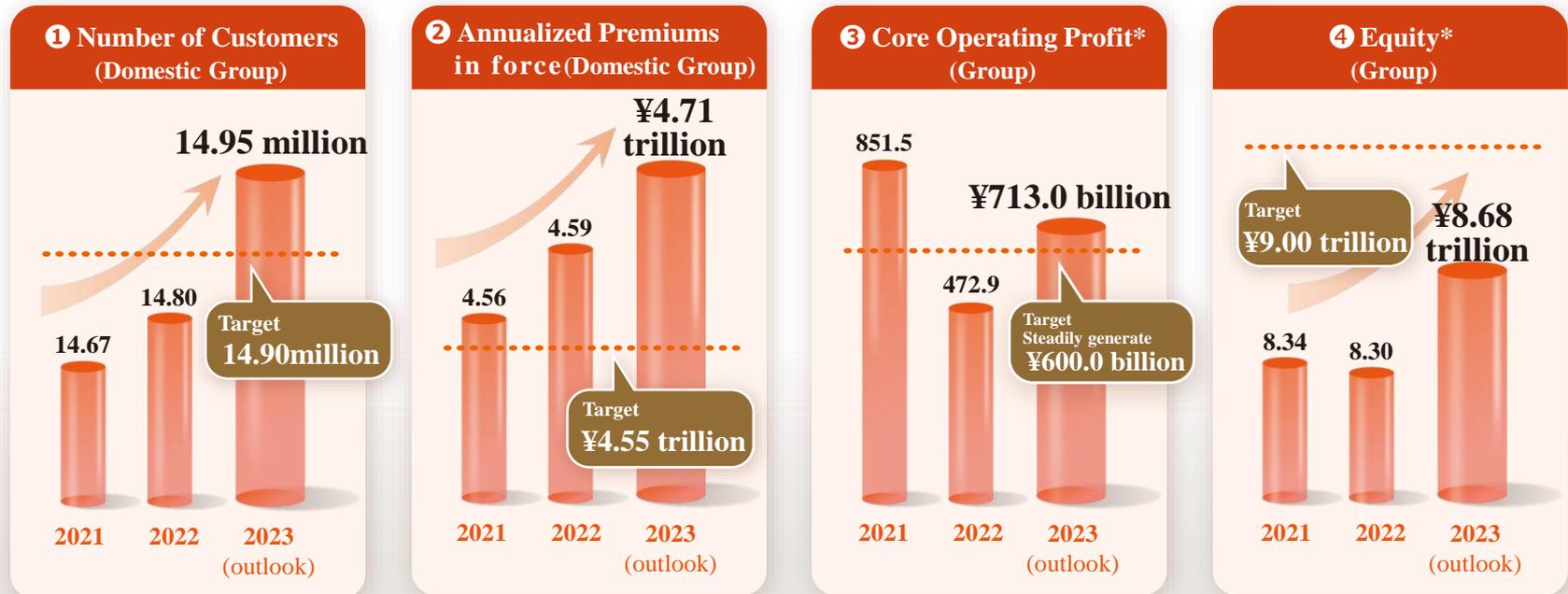
**Review of “Going Beyond (2021-2023)”**

# Achievement of Numerical Targets

- Expect to **largely achieve** all numerical targets except for equity target
- **Ensured high financial soundness with ESR improving to 233% (world-class level)** owing to risk reduction and other measures, although equity is projected below target, mainly owing to an increase in COVID-19 benefit payments

\*ESR: A financial soundness indicator that shows the sufficiency of capital (margin) relative to the amount of risk on an economic value basis. It is determined using Nippon Life's internal management model.

## Numerical targets of "Going Beyond (2021-2023)"



\* From FY2023, Australia has introduced a new accounting standard in accordance with IFRS 17 Insurance Contracts. The new accounting standard has been retrospectively applied to figures for FY2022.

# Achievements and Issues

## Main achievements and issues

### Domestic insurance

**Integrated real and digital technologies, expanded business results in the agency and financial institution over-the-counter distribution channel**

Production recovery in the sales representative channel was only halfway complete, while the need to strengthen the administrative processing system in emergencies became evident.

### Group businesses

**Steady profit growth** in the Asset Management Business and Global Insurance Business

There remains significant room for efforts to make new investments and expand the scale of new businesses in international markets.

### Investment and efficiency

Promoted **initiatives to steadily improve risk and return** from a long-term perspective

Stronger adaptability to an uncertain investment environment is needed.

### Business foundations

**Steadily improved financial soundness** by reducing risks and other means

There is a growing need to strengthen human resources and IT platforms.

## Summary

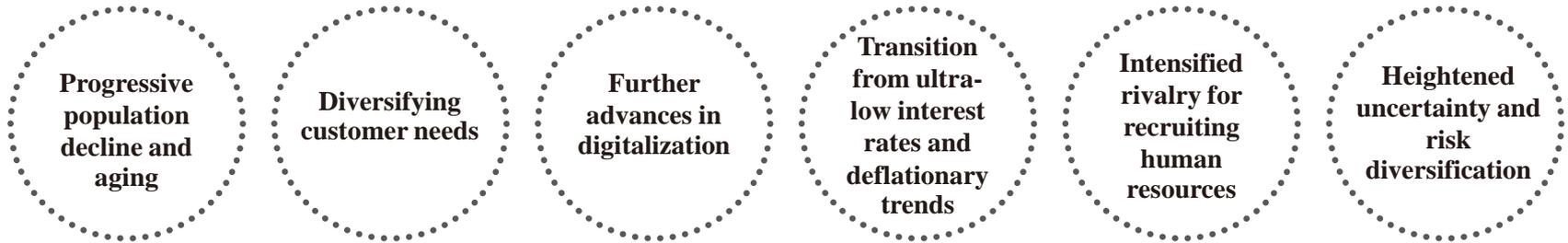
- Amid unforeseen changes in the external environment, such as the growing impact of the COVID-19 pandemic on society and businesses and major upheaval in the financial and economic environment, **Nippon Life delivered a wide range of accomplishments, including growth in the number of customers through the use of digital technology and unified Group-wide market development, as well as strengthened risk resilience.**
- On the other hand, the expected recovery in production within the mainstay sales representative channel was only halfway complete.

2

## **Long-term Environmental Awareness**

# Long-term Environmental Awareness

The business environment surrounding the Nippon Life Group is discontinuous from the past and highly uncertain.



## Impacts on Nippon Life's businesses



**With significant changes in the business environment, profitability may fluctuate dramatically depending on the course of strategy**

3

## **Sustainability Management**

# Sustainability Management

Highly discontinuous and uncertain business environment



**Sustainability management must be enhanced further to ensure long-term stable management**

The Nippon Life Group has practiced sustainability management through its core business over the past 135 years since its founding, based on the Fundamental Management Principles of Nippon Life

## Fundamental Management Principles of Nippon Life

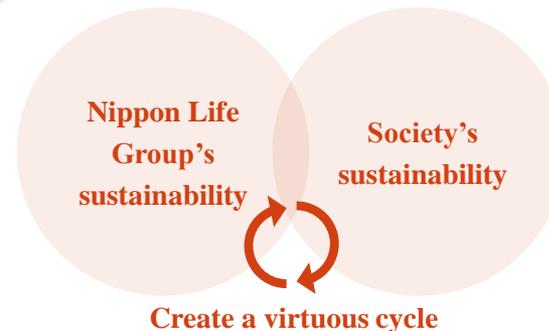
Life insurance business based on the philosophy of “co-existence, co-prosperity and mutual aid” is closely connected with the welfare of the people, and people’s understanding and trust are indispensable for the development of life insurance companies. In the view of such nature of the business, we have firmly determined to

**contribute to the stability and enhancement of people’s lives**

under the precepts of Conviction, Sincerity and Endeavor, and hereby established the “Fundamental Management Principles of Nippon Life.”



We continue to position “sustainability management” as the core of our business management. We intend to develop our core business by earning further customer trust and resolving social issues.



# Sustainability Management

The society the Nippon Life Group aims for

**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**

**Providing reassurance and security for life; Supporting future generations to be filled with hope; Respecting DE&I and human rights**

**Community**

**Supporting to create vibrant local communities**

**Environment**

**Passing on the indispensable Earth to the future**

# Sustainability Management

## Nippon Life Group's Sustainability Statement

### Enhance Today For Your Future

—Creating a Society in Which Everyone Can Live Their Lives with Peace of Mind—

In the 100-year life era,  
Nippon Life Group is committed to supporting individuals' dreams  
and aspirations while addressing their concerns.

We strive to improve sustainability for People, for Community  
and for the Environment so that everyone can live their lives with peace of mind.

#### People

Nippon Life offers comprehensive life insurance to address various risks and assured payment of claims and benefits. We are a committed partner to people at all stages of life, providing support for raising children and young adults, healthcare, asset formation, nursing care and more.

#### Community

As a community member,  
Nippon Life actively engages in efforts  
to help solve local challenges  
and contributes to creating vibrant, thriving communities.

#### Environment

As a responsible institutional investor,  
Nippon Life contributes to solving societal challenges  
such as climate change and helps build conditions for  
global environmental health.



Enhance today for your future.  
Nippon Life Group will be by your side.

**To realize sustainability management, Nippon Life plans to begin a new project next fiscal year that will involve all of its employees and let people know about its efforts to help resolve social issues both within and outside of the company.**

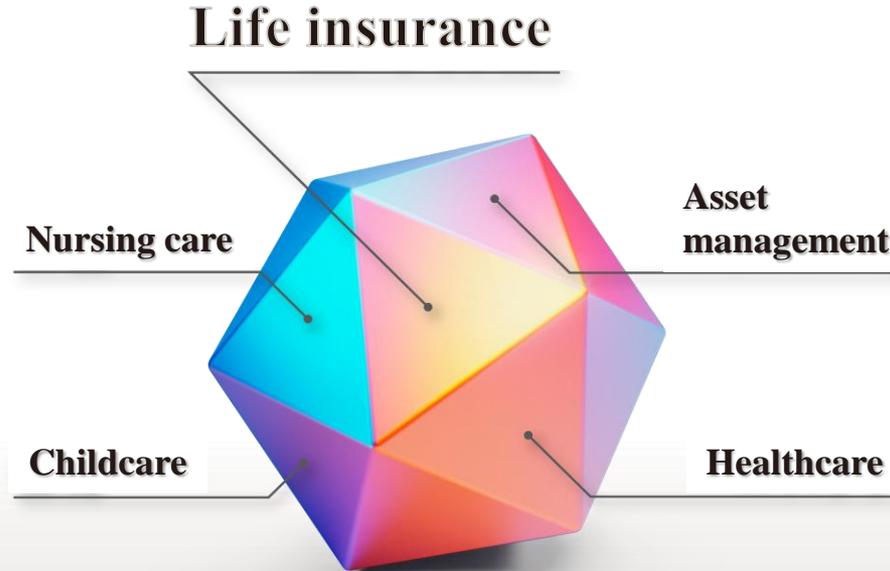
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## **Long-Term Corporate Vision**

# Long-Term Corporate Vision

## Nippon Life Group's Long-Term Corporate Vision

**A corporate group offering various types of reassurance across diverse areas centering around life insurance, spanning out to asset management, healthcare, nursing care, childcare and others as a provider of 'multidimensional peace of mind'.**



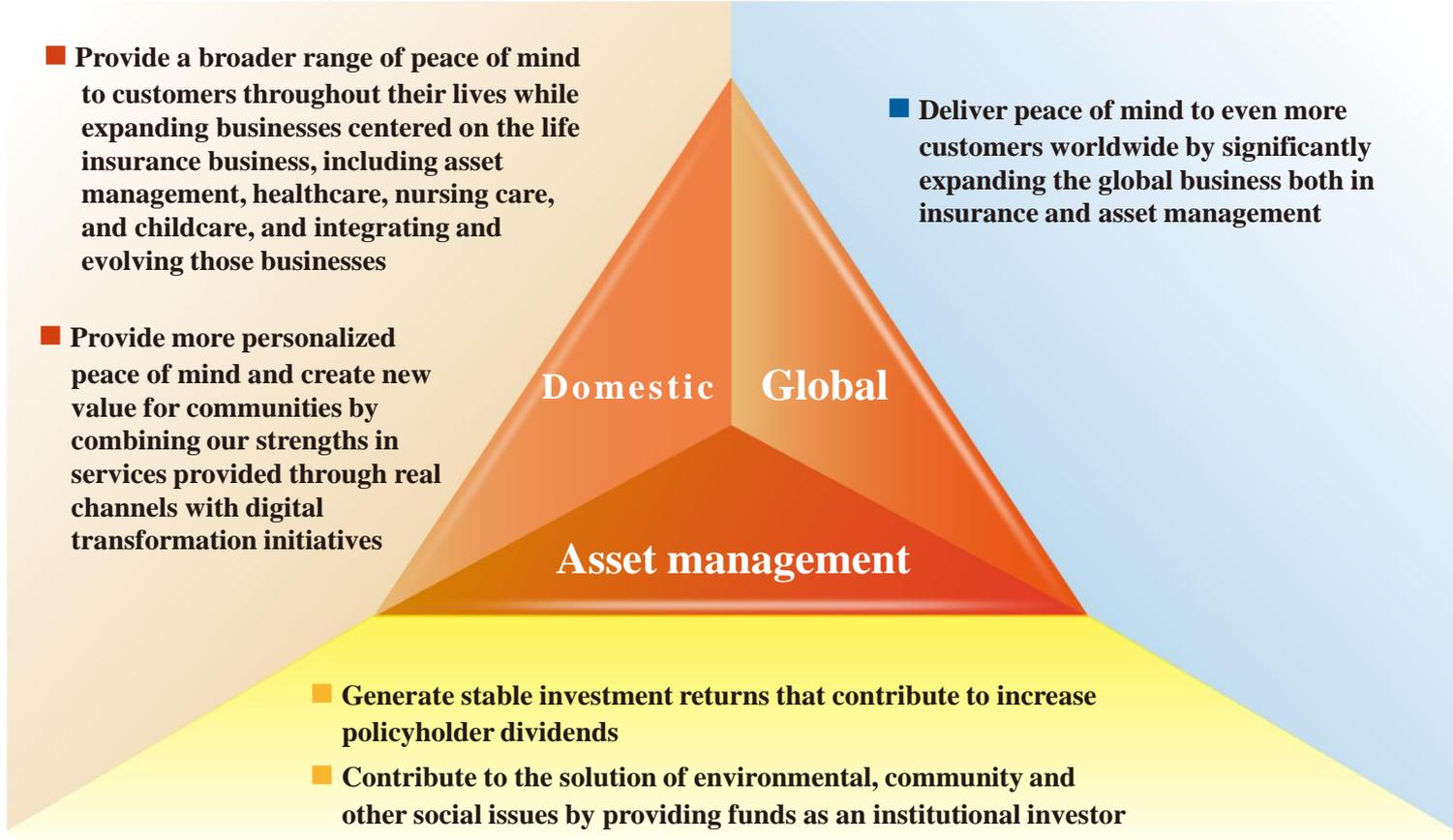
**Strengthen each business in an integrated manner and implement group management as a provider of multidimensional peace of mind**



**Expansion of the value provided to society and the Nippon Life Group's growth**

# Expansion of the value provided to society

## The value provided by the Nippon Life Group to society

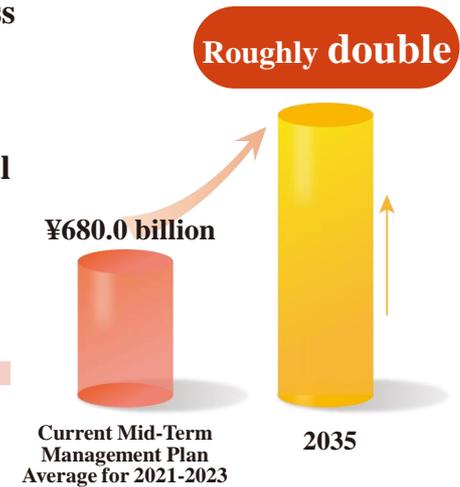


# The Nippon Life Group's Growth

Targeting 2035, the Nippon Life Group will endeavor to expand Group core operating profit and increase policyholder dividends, while maintaining worldclass financial soundness.

- Increase business results in the domestic insurance business
- Generate investment returns amid changing financial and economic conditions
- Expand profit through business investment totaling several trillion yen in Japan and abroad

**Roughly double Group core operating profit  
by 2035**



**Raise the policyholder dividend payout ratio\***

**Target level**

Current

Maintain steadily at around 50%

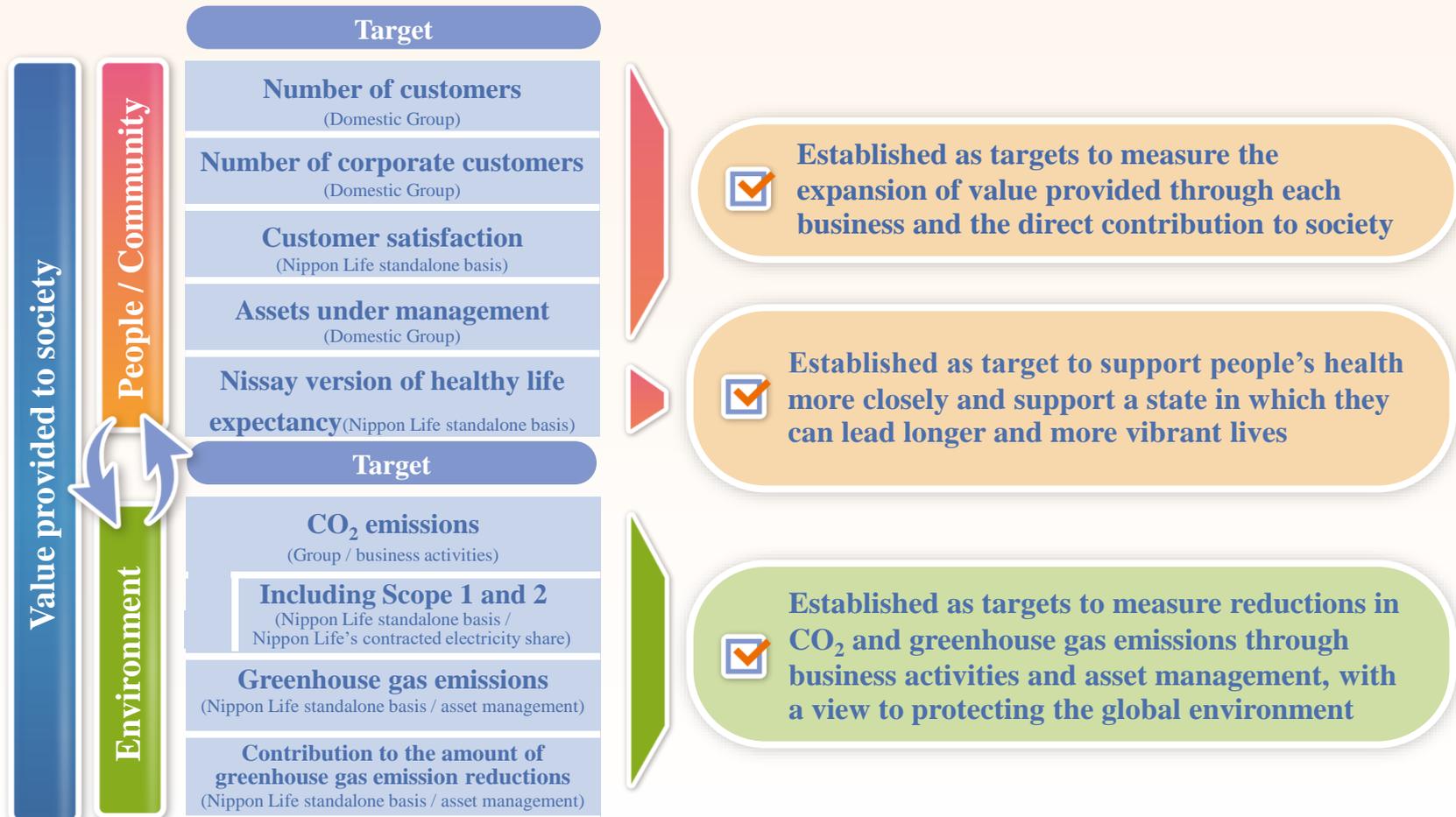
Future

Maintain steadily at around 60%

\* An unique metric of Nippon Life that represents the share of adjusted profit for each fiscal period allocated to policyholder dividends.

# Outcome Targets (Principles)

The following outcome targets have been established from the perspective of measuring the expansion of value provided to society through the Nippon Life Group's business activities.



\*1 Companies subject to the CO<sub>2</sub> emissions targets include not only the Domestic Group but also certain overseas subsidiaries (MLC Limited, Nippon Life India Asset Management Limited, and Nippon Life Insurance Company of America)

\*2 Scope 1 covers vehicle fuel, etc. (gasoline), while Scope 2 covers the use of electricity, etc.

\*3 Contribution to the amount of greenhouse gas emission reductions refers to greenhouse gas emissions reduced by companies through financing from Nippon Life.

\*4 Nissay version of healthy life expectancy is calculated based on questionnaires of Nippon Life's policyholders.

\*5 Assets under management represent the sum of the total assets of domestic primary insurance companies and the balance of assets under management of Nissay Asset Management.

(Assets under management are calculated after adjusting for certain internal transactions. The "Including global" component provided for reference includes the total assets of MLC Limited and Nippon Life Insurance Company of America and the balance of assets under management of Nippon Life India Asset Management Limited.)

# Outcome Targets (Target Levels)

Nippon Life will accelerate measures to achieve the following targets over the long term.

		Target	2023 Outlook	2035 target	
Value provided to society	People / Community	Number of customers	14.95 million	17.00 million	
		Number of corporate customers	343,000	370,000	
		Customer satisfaction	Individual 95.0% Group insurance 96.1% Group annuities 91.3% (2023 result)	90% or more	
		Assets under management	Domestic Group ¥105 trillion Including global ¥112 trillion	¥125 trillion (Reference) Including global ¥140 trillion	
		Nissay version of healthy life expectancy	Men 71.50 years Women 73.77 years (2023 result)	Extend by 2 years from 2023	
		Target	2022 Result	2030 target	2050 target
Environment	Environment	CO <sub>2</sub> emissions (Business activities)	30.9% decrease from 2013	Decrease of 51% or more from 2013	
		Scope 1 and 2 (Nippon Life's contracted electricity share)	45,000 tons per year Renewable energy ratio 17.7%	Net zero and 100% renewable energy ratio	
		Greenhouse gas emissions (Asset management)	Total emissions 45% decrease from 2010 Intensity 20% decrease from 2020	Total emissions Decrease of 45% or more from 2010 Intensity Decrease of 49% or more from 2020	
		Contribution to the amount of greenhouse gas emission reductions (Asset management)	3.35 million tons per year	15.00 million tons per year	

\*1 Companies subject to the CO<sub>2</sub> emissions targets include not only the Domestic Group but also certain overseas subsidiaries. (MLC Limited, Nippon Life India Asset Management Limited, and Nippon Life Insurance Company of America)

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## **Mid-Term Management Plan (2024-2026)**

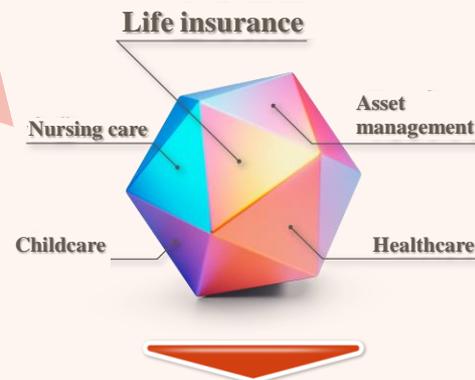
# Positioning of the Mid-Term Management Plan

## Mid-Term Management Plan (2024-2026)

The three years covered by the mid-term business plan is a period to strongly promote Group business management, where acceleration of expansion on sales performance and new revenue streams is pursued in order to boost the rate of mid to long term growth. Various strategies will be implemented under the plan.

### Nippon Life Group's Long-Term Corporate Vision (2035)

A corporate group offering various types of reinsurance across diverse areas centering around life insurance, spanning out to asset management, healthcare, nursing care, childcare and others as a provider of 'multidimensional peace of mind'.



Achieve a doubling of Group core operating profit and growth in policyholder dividends

Enhance sustainability management

The Society We Aim For

A society in which everyone can live their lives with peace of mind



# Numerical Targets

(Nippon Life Group's growth, Ensuring Financial Soundness, and Growing Policyholder Dividends)

In addition to outcome targets, we have established the following targets for the Mid-Term Management Plan from the perspective of measuring the Nippon Life Group's growth, ensuring financial soundness, and increasing policyholder dividends.



\* Value of new business: This profitability metric, measured on an economic value basis, represents the present value of the future profit or loss arising from new policies written. It is determined using Nippon Life's internal management model.

\* ESR: A financial soundness indicator that shows the sufficiency of capital (margin) relative to the amount of risk on an economic value basis. It is determined using Nippon Life's internal management model.

# Numerical Targets (Overall)

We aim to achieve the following numerical targets, with a view to realizing the Nippon Life Group's growth and a worldclass financial soundness level, and enhancing policyholder dividends, through the expansion of value provided to society



Target	2023 Outlook	2026 target	2035 target
Number of customers	14.95 million	15.60 million	17.00 million
Number of corporate customers	343,000	350,000	370,000
Customer satisfaction	Individual Group insurance 95.0 % Group annuities 96.1 % (2023 result) Group annuities 91.3 %	90% or more	
Assets under management	Domestic Group ¥105 trillion Including global ¥112 trillion	¥112 trillion (Reference) Including global ¥121 trillion	¥125 trillion (Reference) Including global ¥140 trillion
Nissay version of healthy life expectancy	Men 71.50 years Women 73.77 years (2023 result)	—	Extend by 2 years from 2023

Target	2022 Result	2030 target	2050 target
CO <sub>2</sub> emissions (Business activities)	30.9% decrease from 2013	Decrease of 51% or more from 2013	Net zero
Including Scope 1 and 2 (Nippon Life's contracted electricity share)	45,000 tons per year Renewable energy ratio 17.7%	Net zero and 100% renewable energy ratio	
Greenhouse gas emissions (Asset management)	Total emissions 45% decrease from 2010 Intensity 20% decrease from 2020	Total emissions 45% decrease from 2010 Intensity 49% decrease from 2020	
Contribution to the amount of greenhouse gas emission reductions (Asset management)	3.35 million t per year	15.00 million t per year	—

Target	2023 Outlook	2026 target	2035 target
Annualized premiums in force	¥4.71 trillion	¥4.85 trillion	—
Value of new business	¥357.0 billion	¥350.0 billion	—
Core operating profit	¥713.0 billion	¥860.0 billion (20% increase from 2023)	Roughly double from the current level



ESR	233%	Maintain at 200-270%	
Policyholder dividend payout ratio	73% (2022 result)	Maintain steadily at around 60%	

# Mid-Term Management Plan Theme and 5 Strategic Directions

The Nippon Life Group has adopted **“Over-deliver on customer expectations in offering peace of mind and reach out to a larger community of customers”** as the theme of the Mid-Term Management Plan. This theme encapsulates the Group’s desire to make unified Group-wide efforts to implement sustainability management, create value unique to the Group, and provide that value broadly to customers and society. Keeping “customer-oriented business operations” in mind, the Group will implement measures across **5 strategic directions**.



## ① -1 Enhance value of our insurance business in the domestic market

### Current status

#### Product and service strategy

Provide a full product lineup, including insurance coverage and asset formation, and unique products that address social issues

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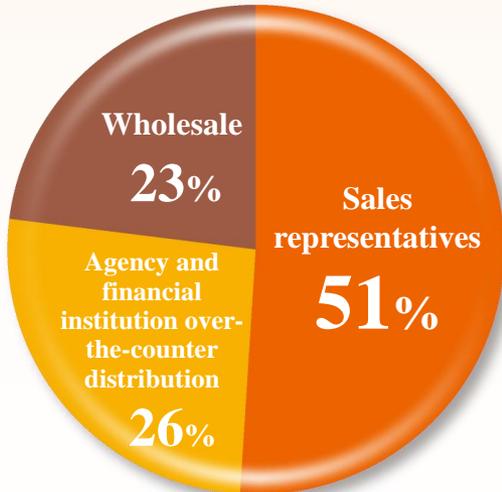
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#### Channel strategy

Implement proactive diversification of sales channels centered on sales representatives



Premium income by sales channel (Total of domestic individual insurance and corporate insurance, FY2022 result)

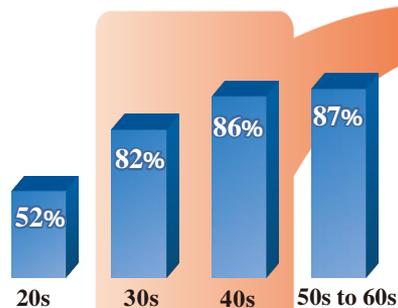
## 1 -2

### Enhance value of our insurance business in the domestic market

#### Current status

We have been unable to provide the necessary insurance coverage primarily to younger age groups

Life insurance enrollment rate by age group



\* The life insurance enrollment rate is estimated based on data from the Survey on Life Security (FY2022) by the Japan Institute of Life Insurance.

There is a gap between the amount of actual and necessary coverage, particularly in the core middle-age coverage groups

Gap between actual and necessary coverage

■ Actual coverage ■ Necessary coverage



\* The actual coverage represents the average amount of ordinary death benefit for two household members or more (FY2021 survey by the Japan Institute of Life Insurance)

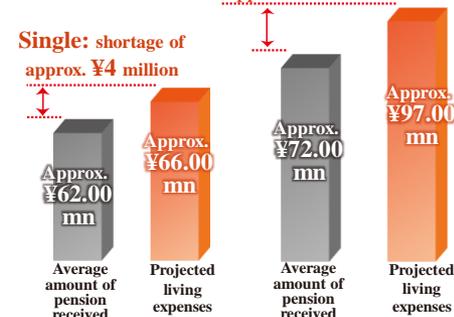
\* The necessary coverage is estimated based on the assumptions of household with spouse, double-income household, and household with one or two children (original estimate by Nippon Life).

There is a large gap between the average amount of pension received in retirement and necessary living expenses

Shortage of living expenses in retirement life

Gap between the average amount of pension received and projected living expenses from 65 to 95 years of age  
**Married couple: shortage of approx. ¥25 million**

Single: shortage of approx. ¥4 million



\* Source: Prepared based on the "Statistics Bureau of the Ministry of Internal Affairs and Communications: National Survey of Family Income and Expenditure for 2022" and "Ministry of Health, Labour and Welfare: Summary of the Balance of Employees' Pension Insurance and National Pension in FY2022."

The life insurance business continues to have room for growth and we will strengthen measures as the Group's core business.

# Mid-Term Management Plan Theme and 5 Strategic Directions

1 -3

Enhance value of our insurance business in the domestic market

## Mid-Term Management Plan measures

### Overall domestic insurance business

< Strategy >

Expand value provided to society by creating added value through the pursuit of original and competitive insurance and services and enhancing customer contact points



Aims of the Mid-Term Management Plan

Aim to become the leading company in all markets served by the sales representative channel, as well as the agency and financial institution over-the-counter distribution and digital channels, and expand medium- and long-term earnings by increasing the number of customers

Sales representative

Agency and financial institution over-the-counter distribution

Digital

1 -4

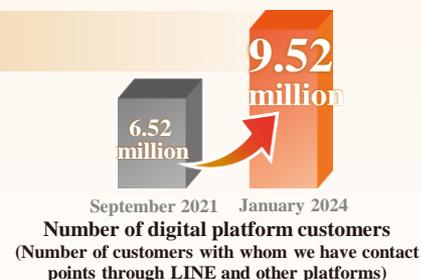
## Enhance value of our insurance business in the domestic market

### Sales representative channel

#### Current status

##### Sales representative activities

**Expanded new contact points with customers** by promoting activities that combine our strengths in face-to-face sales and digital technology



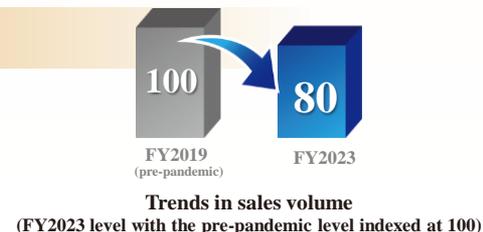
##### Sales representative organization

**The number of sales representatives decreased, reflecting the emergence of sales representative recruitment and training challenges**



##### Sales performance

**The recovery in sales performance was only halfway complete, mainly due to sluggish growth in coverage products, while there was an increase in sales volume of savings products.**



# Mid-Term Management Plan Theme and 5 Strategic Directions

1 -5

Enhance value of our insurance business  
in the domestic market

## Sales representative channel

### Mid-Term Management Plan measures

#### Sustainably secure places of activity for sales representatives

Expand the circle of customers by successfully strengthening efforts such as measures to help resolve community issues and expanding customer contact points

- Deepen initiatives under cooperation agreements with local governments

#### Establish a sales representative organization that allows personnel to work with long-term job security (improve retention)

- Strengthen training functions of branches and enhance Head Office support
- Improve engagement by improving salary and other compensation, develop the office environment, and reduce sales representatives' workload

#### Strengthen consulting capabilities

Further enhance efforts such as stimulating needs to support each customer and evolving Policy Details Confirmation Activities

- Strengthen support and management of sales representative activities through the use of AI

#### Promote initiatives to enhance the product lineup and dynamically supply products

- Begin sales in April 2024 of new products featuring enhanced coverage details and services for physical disabilities and nursing care
- Scheduled to launch in April 2025 new services featuring packages of gift content that enrich daily life and services that aid in extending healthy lifespans



Aims of the  
Mid-Term  
Management Plan

Realize an increase of 8% in value of new business (versus 2023 result) over 3 years  
Strengthen the sales representative channel into the industry's solid No.1 sales channel

1 -6

## Enhance value of our insurance business in the domestic market

### Agency and financial institution over-the-counter distribution channel

#### Current status

##### Expand sales performance

The Nippon Life Group's presence is steadily growing through measures such as agile product supply and strengthening support for channels

##### Number of customers



End of FY2020

End of FY2023 (outlook)

##### Number of new policies (agency and individual)



End of FY2020

End of FY2023 (outlook)

##### Issues that have emerged

Differentiation in products, support for channels and other aspects is necessary given the intensified competitive environment in terms of product appeal, price, and other factors

#### Mid-Term Management Plan measures

##### Agile product supply

Expand value provided through unified Group efforts, such as product development targeting diversifying customer needs and social issues

##### Strengthen channel support

Expand the number of customers by enhancing the sales model in addition to strengthening responses to agency issues

- Strengthen the training system, provide support for insurance agents, and take other steps to enhance the sign-up rate

Strive to reduce the workload through digital transformation (DX) and other measures

- Automate agencies' administrative procedures and expand Web-based processing

Aims of the Mid-Term Management Plan

**Aim to be the leading company in the agency and financial institution over-the-counter distribution channel**

1 -7

## Enhance value of our insurance business in the domestic market

### Digital channel

#### Current status

##### HANASAKU LIFE's measures

Steadily increase the number of policies sold by promoting direct mail-order sales and online sales

##### Nippon Life's measures

Started expanding the digital channel through measures such as launching online sales of annuities in January 2024

##### Market trends

A hybrid model that combines digital and in-person interactions has become prevalent in the wake of the COVID-19 pandemic.

#### Mid-Term Management Plan measures

Enhance the product lineup on a Group-wide basis

Enhance the hybrid model combining digital and in-person interactions

- Roughly double the size of Nippon Life's inside sales team
- Establish a digital communication platform at HANASAKU LIFE and strengthen consulting by operators

Expand customer inflow numbers by improving convenience

- Provide multiple ways for customers to sign up for insurance and promote collaboration with other business sectors
- Roll out new services (comparison, quote, and consulting website) at LHL Group, a Group subsidiary



Aims of the Mid-Term Management Plan

**Aim to be the leading company in the digital channel**

1 -8

## Enhance value of our insurance business in the domestic market

### Wholesale

#### Current status

##### Measures to date

###### Group insurance

Established a strong presence in areas such as medical and income protection insurance, in addition to death coverage

###### Group annuities

Steadily increased assets under management amid a drastically changing environment faced by companies



Steadily increased the number of corporate customers by offering consulting services to support diversifying corporate needs for insurance for business owners, non-life insurance, and healthcare services, etc.

#### Mid-Term Management Plan measures

Enhance products and services that aid human capital management, such as Kenko-Keiei® (health and productivity management) and support for balancing work and childcare and nursing care responsibilities

##### ■ Increase value provided by maximizing Group resources

\*Kenko-Keiei® (health and productivity management) is a registered trademark of Nonprofit Organization Kenko-Keiei

Expand business to promote Japan as a Leading Asset Management Center

##### ■ Promote measures to aid asset formation support and improved financial literacy in collaboration with Nissay Asset Management

Expand transactions in collaboration with local companies, local financial institutions and local governments

Aims of the Mid-Term Management Plan

Maintain a presence in the markets for group insurance and group annuities  
Drive growth in Group earnings by strengthening Wholesale's function as the main contact for Group

1 -9

## Enhance value of our insurance business in the domestic market

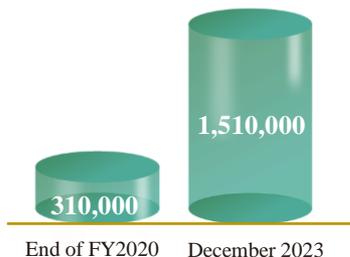
### Administration and services

#### Current status

##### Measures to date

Encouraged adoption of direct customer procedures through such means as upgrading and expanding the functions of the Nippon Life app

##### Number of app downloads



As a result of a significant surge in benefit claims during the COVID-19 pandemic, issues related to emergency readiness, such as payment systems, have emerged

#### Mid-Term Management Plan measures

##### Further expand and enhance the convenience of direct procedures

- Strengthen responses to diversifying customer needs
- Strengthen emergency preparedness

##### Implement a fundamental review of administrative processes and management systems

- Further promote automated processing and paperless operations
- Formulate a long-term action plan to build an administration and services delivery platform that allows us to steadily fulfill our insurance responsibilities over the long term, among other measures

##### Strengthen support for customers who require additional support

- Enhance service levels for elderly customers, foreign nationals, and other individuals

Aims of the Mid-Term Management Plan

Enhance the value experienced by customers (i.e., customer experience (“CX”)) through administration and services

2 -1

Offer peace of mind in the domestic market  
in an even more multidimensional way

Asset management business



## Current status

### Measures to date

Strove to enhance the product lineup and improve investment performance, considering the growing market and increased needs for asset formation. Those trends were supported by tailwinds such as the start of the new NISA system to promote Japan as a Leading Asset Management Center



Nissay Asset Management Corporation

Assets under management\*

¥34 trillion

Industry ranking\*

5th place

As of March 2023

\* Ranking of major domestic asset management firms. Assets under management are compared based on a simple sum of data from The Investment Trusts Association, Japan and the Japan Investment Advisers Association

## Mid-Term Management Plan measures

### Strengthen investment capabilities

Enhance the investment structure through measures such as centralizing Group companies' investment functions and human resources

### Expand sales of asset management products and services

Enhance the product lineup to capture increased needs for asset formation driven by factors such as the launch of the new NISA plan, along with strengthening direct channels and promoting Group collaboration

Aims of the  
Mid-Term  
Management Plan

Expand our share of the domestic asset management market

2 -2

Offer peace of mind in the domestic market in an even more multidimensional way

## Healthcare business

### Current status

#### Measures to date

Provide **Wellness-Star**<sup>☆</sup>, a consulting service to reduce health risk, to companies and groups since 2018

Wellness-Star <sup>☆</sup> track record of use	Data analysis	165 groups / 3.14 million people
	Health initiatives	1,309 people diabetes prevention program, etc.

#### External environment

Government requests to strengthen human capital management, as well as promote the Third Data Healthcare Plan and other initiatives, have led to growing needs for more sophisticated healthcare services

### Mid-Term Management Plan measures

#### Enhance data analysis

- Help to improve labor productivity, optimize medical expenditures, and improve QOL by visualizing, evaluating, and reviewing issues faced by companies and groups
- Fully roll out a new group analysis service for stress checks through joint research with the University of Tokyo (from April 2024) 

#### Enhance health initiatives

- Enhance value-added services that improve health through alliances with medical institutions, health checkup centers, and other entities (capital and business alliances, etc.)



Conclude business alliance agreements to promote prevention services that leverage the networks of primary care physicians  
\* Conclude a capital and business alliance agreement with Welby Healthcare Solutions Inc., a wholly owned subsidiary of Welby Inc.



Conclude capital and business alliance agreements to encourage wider use of health management platforms for companies and policyholders

Collaborate with universities, companies and groups other than the above

  nishikawa, Stanford University, Tohoku University, Toho University ]

Aims of the Mid-Term Management Plan

Establish a business model to provide services that combine data analysis and health initiatives as an integrated package

2 -3

Offer peace of mind in the domestic market in an even more multidimensional way

## Nursing care and childcare business

### Current status

#### Measures to date

#### Measures in the nursing care and childcare business to date

- Operated a fee-based elderly home with nursing care services together with Nissay Seirei Health & Welfare Foundation (from 1989)
- Formed a business alliance centered on the nursing care and childcare business with NICHII GAKKAN CO., Ltd, establishing Life Care Partners Co., Ltd. (LCP) (from 1999)
- Began an online matching service for company-managed childcare centers (Childcare Support Mirai Concierge) with LCP (from 2020)
- Selected a temporary childcare matching business (*Chokoiku*) as part of an internal entrepreneurship project and began providing services (from 2022)



ちょこいく

Considering factors such as the progressive aging of society, we have entered the nursing care and childcare business in earnest and have been implementing measures to create synergies with the insurance business.

- Agreed to acquire 99.6% of shares outstanding in Nichii Holdings Co., Ltd. (November 2023)



### Mid-Term Management Plan measures

#### Group retention

Give top priority to the establishment and steady growth of the Nichii Group within the Nippon Life Group

- Promote measures such as establishing a new business department and developing a business management system by temporarily assigning around 10 employees
- Jointly consider growth measures based on the use of the Nippon Life Group's knowledge and resources

#### Consider and develop new business strategies

Build and expand the community's network of nursing care, childcare, and medical institutions by providing management support services to businesses

Aims of the Mid-Term Management Plan

**Establish a business model to realize an inclusive community by serving as a hub that connects local government, businesses, and residents in the community**

\* The information on this page is contingent upon receiving regulatory approvals and completing the stock transfer related to investment in the Nichii Group.

# (Reference) About *Choko-iku*, the first internal entrepreneurship project

Steadily promote initiatives that help to increase value provided to society, such as the start of services based on business ideas selected from internal entrepreneurship projects

## Overview of *Choko-iku*

### I. Background to the launch of business

Two employees launched the *Choko-iku* business based on their aspirations to solve social issues in Japan such as solo parenting and postpartum depression stemming from the difficulty of raising children

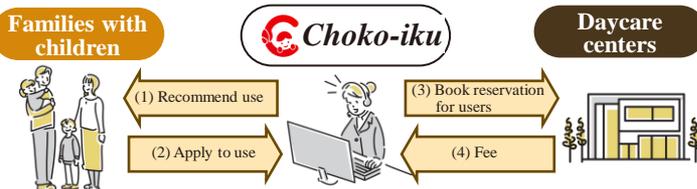
“Through this business, we want to put out the idea that ‘it’s okay to rely on other parties for help with childcare.’ We hope to make childcare more enjoyable by allowing parents and other guardians to find time for themselves by relying on Chokkoto (a little bit) childcare centers. We want to change the perception that raising children is difficult.”



Left: Sayo Tanaka, right: Aya Aoki

### II. Business model

A temporary childcare matching service that connects parents who want to entrust their children to childcare and childcare centers that can accommodate them



### III. Status of activity

- Service was launched in certain areas of Tokyo. Efforts have been made to acquire customers, secure childcare centers, and establish operations, demonstrating substantial customer demand for this service
- Service areas will be expanded to all 23 wards of Tokyo



3 -1

## Expand the global business

### Global business

#### Current status

##### Measures to date

So far, we have focused on developing insurance and asset management businesses in emerging Asian region that have developing markets and medium- and long-term growth potential. (from 1985)



The global business' share of core operating profit is approximately 4% (around ¥30.0 billion). \*2023 outlook

- We have been unable to achieve the growth that we anticipated at the time of investment.
- We have lagged behind in expanding our business in the U.S., which is the world's largest market and is projected to keep growing steadily.

#### Mid-Term Management Plan measures

##### Grow existing businesses

Increase the rate of growth through support tailored to issues faced by overseas subsidiaries and additional investments, among other measures

##### Expand the scale of business through new investments

Consider large new investments in insurance and asset management companies primarily in developed countries such as the U.S.

Aims of the  
Mid-Term  
Management Plan

**Realize expansion in the scale of global business through growth in existing businesses, new business investments, and other means**

4 -1

Advance the financial strategy to the next stage  
(Asset management, capital, policyholder dividends)

## Asset management

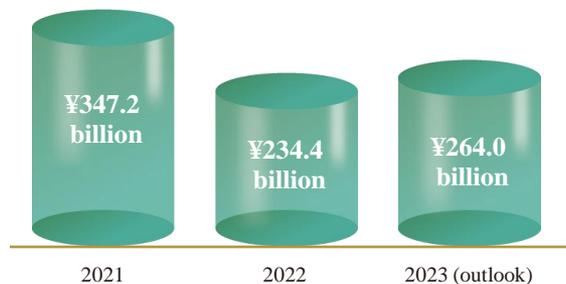
### Current status

Achieving the dual goals of securing investment yield margin and reducing risk

Implement flexible fund allocations that help improve risk and return amid significant market changes caused by global inflation and monetary tightening

Promote risk reduction to improve financial soundness

Trend in investment yield margin (nonconsolidated)



Promote responsible investment and finance

Promote investment and finance with the intention of creating sustainability outcomes, in order to realize a future in which people can live with peace of mind while having economic security through investment and finance.

Themed investment and finance in which the use of funds contributes to the SDGs, etc.

Decarbonization-related investment and finance



4 -2

Advance the financial strategy to the next stage  
(Asset management, capital, policyholder dividends)

## Asset management

### Mid-Term Management Plan measures

#### Build a resilient portfolio in light of market fluctuations

##### Strengthen control of yen-interest-rate risk

- Agile investment in and replacement of ultra-long-term Japanese government bonds according to interest rate levels and other factors

##### Promote diversified investment and finance

- Accumulate alternative, credit and variable interest-rate assets

##### Continue to strengthen forward-looking risk management

- Conduct multi-faceted analysis of transition scenarios from an environment of low interest rates and a weak yen in Japan

#### Further promote responsible investment and finance to create sustainability outcomes

##### Promote integration

- Strengthen the integration of ESG factors in all asset classes

##### Enhance engagement

- Support the activities of companies after confirming progress on solving issues in the environmental and social areas

##### Promote themed investment and finance in which the use of funds contributes to the SDGs, etc.

- The Nissay Impact Investment and Finance Facility (¥500.0 billion) was recently established to provide investment and finance to projects with an especially strong intent to generate social and environmental impact, in addition to a decarbonization-related investment and finance facility

##### Further enhance risk management in responsible investment and finance

- Portfolio analysis considering the perspectives of climate change and natural capital

Aims of the  
Mid-Term  
Management Plan

**Secure steady investment returns even in a tumultuous financial and economic environment**

**Contribute to the solution of social issues, including the global environment**

# (Reference) The Nippon Life Group's measures to promote Japan as a Leading Asset Management Center

As a life insurance group that also operates an asset management business, we will redouble further implement the following measures, thereby helping to promote Japan as a Leading Asset Management Center

- 1 Measures to contribute to household asset formation (household investment stimulates sustainable corporate business and economic growth, with the benefits spreading to the household sector)
- 2 Measures to attract funds from overseas to the Japanese market (as the attractiveness of the Japanese market and companies increase, overseas investors will invest in Japan)

## 1 Measures to contribute to household asset formation

### I. Provide products and services

- Enhance insurance products and asset management products
- Promote consulting through a wide range of channel networks

### II. Improve investment capabilities

- Strengthen investment activities such as diversifying investment targets
  - Establish a new fund to invest in domestic venture capital and startup companies, as a measure that will contribute to the Emerging Managers Program (Total of approx. ¥35.0 billion / planned for the first half of 2024)
- Strengthen investment structure through such means as building a Group network

### III. Financial literacy education

- Hold seminars for people with asset management needs (direct contribution pension plans, etc.)
- Conduct visiting and in-house lessons, etc. for future leaders

## 2 Measures to attract overseas funds into the Japanese market

### V. Sell products such as Japanese stocks using overseas networks

## Japan as a Leading Asset Management Center



## IV. Stewardship activities

4 -3

Advance the financial strategy to the next stage  
(Asset management, capital, policyholder dividends)

## Capital and policyholder dividends

### Current status

#### Measures to date

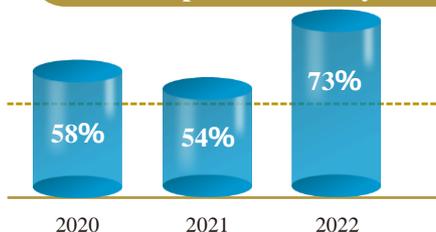
Improved financial soundness by steadily accumulating equity



ESR is at a worldclass level,  
at approximately 233% (outlook for March 2024)

Achieved stable policyholder dividends

#### Policyholder dividend payout ratio for previous fiscal years



Target level  
Maintain  
steadily at  
around 50%

### Mid-Term Management Plan measures

Secure a worldclass level of financial soundness  
(ESR: 200-270%)

#### Accelerate growth investments

Actively deploy capital to growth investments,  
in order to expand the scale of the global  
business and other operations  
(Secure financing of more than ¥2 trillion for  
investments)

#### Enhance policyholder dividends

Raise the policyholder dividend payout ratio to  
around 60%

Aims of the  
Mid-Term  
Management Plan

Increase growth investments and policyholder dividends, while remaining mindful of balancing these priorities with financial soundness

5 -1

## Build a stronger business foundation

### Human capital

#### Current status

##### Measures to date

Promoted human resources development and fostered a more open organizational culture, with a view to diversifying and enhancing human resources

Increased salary levels for 2 consecutive years as an investment in people

##### Issues that have emerged

Factors such as changes in the labor market and the diversification of workers' values have led to an increasingly competitive environment, which has made recruitment of human resources difficult

Rising need for securing diverse human resources to expand business scale and diversify businesses

#### Mid-Term Management Plan measures

Implement the following measures to strengthen core businesses and deploy a broad range of business strategies:

Strengthen the human resources base in terms of quality and quantity

Enhance employee engagement

To achieve the above measures:

#### Continuously invest in people

- Improve compensation and revise the personnel system and its operation
- DE&I (promote women's empowerment, recruit experienced professionals, develop personnel who support the community)
- Human resources development (enhance career development, seminars, and training programs)
- Develop the workplace environment
- Work style reforms
- *Kenko-Keiei*® (health and productivity management)

Through Human Resource Value Enhancement "Action" Project, we will encourage all employees to take proactive steps to ensure that investments produce returns

Aims of the  
Mid-Term  
Management Plan

Develop the highest level of human capital in the industry

5 -2

## Build a stronger business foundation

### IT platforms

#### Current status

##### Measures to date

**Strove to build IT platforms that support digitalization and digital transformation (DX) in each area**

- Expanded customer contact points in sales channels (using digital technology)
- Enhanced product lineups
- Expanded Web procedures to improve customer convenience
- Implemented work style reforms, among other measures

As a result of the above, the systems we own have expanded in size and complexity, making agile and flexible IT development challenging

#### Mid-Term Management Plan measures

##### Improve agility and flexibility

**Start solving structural issues with IT platforms, in order to enhance product lineups and successfully increasing the added value we provide**

- Formulate plans for long-term measures to improve the bloated and complicated IT platform structure

##### Strengthen the IT development system

**Promote the use of external knowledge through such means as increasing recruitment of experienced professionals and outsourcing, in anticipation of an increase in medium- and long-term IT development**

Aims of the  
Mid-Term  
Management Plan

**Push ahead with measures to solve the structural issues with IT platforms, which support agile product development and expanded value provided through digital technology and DX, and to strengthen the development system**

5 -3

## Build a stronger business foundation

### Innovation

#### Current status

##### Measures to date

**Implemented DX of the insurance business, using cutting-edge technology**

- Put a consulting tool on sales representatives' smartphones
- Verified the use of an AI avatar in insurance administration support, among other measures

**Achieved product development with shorter lead times and low cost through Insurance Cloud and no-code development**

- Applied this approach to the development of Nissay Plus SSI's smartphone insurance

##### Changes in the external environment

**We need to evolve our business models and use cutting-edge technology to address discontinuous changes in the business environment, such as changes in customer needs and social conditions**

#### Mid-Term Management Plan measures

##### Establish specialized AI

**Create new added value by using specialized AI in each business**

- Develop AI models and solutions specialized in areas such as disease prediction (commence joint research with Stanford University in the U.S., among other measures)

##### Strive to develop innovative insurance

**Strive to develop innovative insurance to create new added value for insurance through the use of new technologies and solutions**

##### Pursue R&D

**Continuously research cutting-edge examples of innovation worldwide, seeking to apply next-generation technology and explore business models**

- Establish a new domestic fund that will contribute to the Emerging Managers Program set forth by the policy to promote Japan as a Leading Asset Management Center, among other measures

Aims of the  
Mid-Term  
Management Plan

**Establish survey, research, and development systems for cutting-edge technologies and business models that successfully strengthen the competitiveness of each business and expand the added value we provide through innovation**

# Customer-oriented business operations

Based on a recognition that our businesses are built solely on the trust of our customers, we will continuously improve services that originate with customer feedback and implement PDCA cycles for customer-oriented business operations in each business strategy. Based on these priorities, we will focus efforts in the following two directions

## Strengthen responses to complaints and conduct risk

Implement measures to prevent misconduct and reduce complaints, reflecting the “Viewpoints\*” report

Strengthen frontline sales organizations to build more effective management and training systems

\* The Life Insurance Association of Japan (LIAJ) has published a report titled “Viewpoints for Further Enhancement of Compliance Risk Management Structure related to Direct Salesperson Channel.” The report summarizes principles for enhancing compliance and risk and management systems in the sales representative channel, as well as case examples of specific measures and other relevant information.

Enhance procedural support for customers who require additional support, such as elderly customers, foreign nationals, and other individuals

## Improve the value experienced by customers (i.e., customer experience (“CX”))

Enhance existing measures

Enhance the added value of products and services by, for example, using even more customer feedback

Create new added value through the development of original and competitive products and services

# Summary

Under the New Mid-Term Management Plan, we will realize the Nippon Life Group's growth and a worldclass financial soundness level, as well as enhance policyholder dividends, through the expansion of value provided to society via each business

**The Society We Aim For**

A society in which everyone can live their lives with peace of mind



**Corporate Vision**

A corporate group offering various types of reinsurance across diverse areas centering around life insurance, spanning out to asset management, healthcare, nursing care, childcare and others as a provider of 'multidimensional peace of mind'.



## Mid-Term Management Plan (2024-2026)

**Positioning**

The three years covered by the mid-term business plan is a period to strongly promote Group business management, where acceleration of expansion on sales performance and new revenue streams is pursued in order to boost the rate of mid to long term growth.

**Theme**

“Over-deliver on customer expectations in offering peace of mind and reach out to a larger community of customers”

**5 Strategic Directions**

- ① Enhance value of our insurance business in the domestic market
- ② Offer peace of mind in the domestic market in an even more multidimensional way
- ③ Expand the global business
- ④ Advance the financial strategy to the next stage (Asset management, capital, policyholder dividends)
- ⑤ Build a stronger business foundation

Customer-oriented business operations

### Expansion of value provided to society

- Enhance products and services
- Strengthen consulting capabilities
- Improve CX
- Help companies deal with management issues
- Contribute to the solution of social issues such as community and global environmental issues

Increase the number of customers to 15.60 million and the number of corporate customers to 350,000

Maintain customer satisfaction of 90% or more

Increase assets under management to ¥112 trillion

### Nippon Life Group's growth

Value of new business  
¥350.0 billion

Annualized premiums in force  
¥4.85 trillion

Core operating profit of ¥860.0 billion

### Financial soundness and policyholder dividends

Ensure a worldclass financial soundness level

Enhance policyholder dividends

Enhance today for your future



Nippon Life Insurance Company