

**Overview of Financial  
Results for  
the Three Months Ended  
June 30, 2024**

August 9, 2024

Nippon Life Insurance Company

**1** Group overview

**2** Domestic life insurance business

**[Reference]** Status of each Group company

## ① Highlights

## GROUP

## Insurance and service revenue\*



2,070.2 billion

(This includes ¥2,004.3 billion in revenues from insurance\* and reinsurance)

[ +7.3% YoY ]

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

## Core operating profit



179.5 billion

[ +57.3% YoY ]

- Increased mainly due to an increase in revenue from interest and dividends, etc. from Nippon Life and Nippon Wealth Life.

## Annualized new premium



125.7 billion

[ +7.5% YoY ]

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

## Annualized premium in force



4,808.3 billion

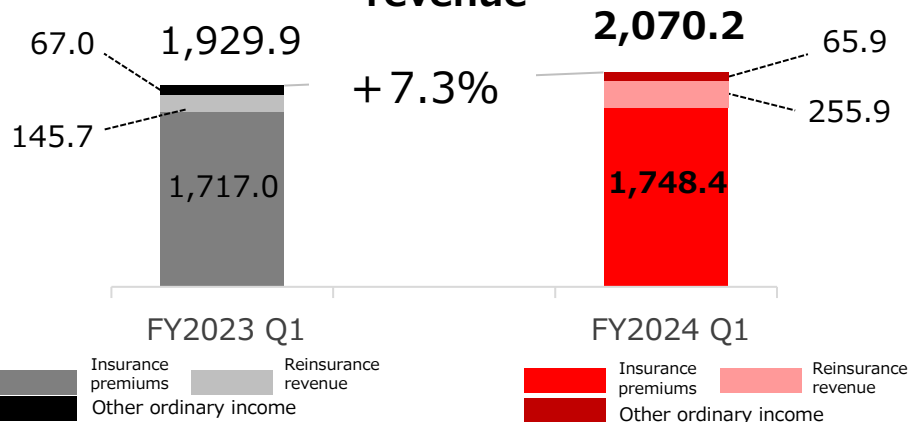
[ vs end-FY2023 +1.1% ]

- Increased compared to the end of FY2023 mainly due to an increase in new policies of Nippon Wealth Life.

Domestic life insurance  
Individual insurance/annuities

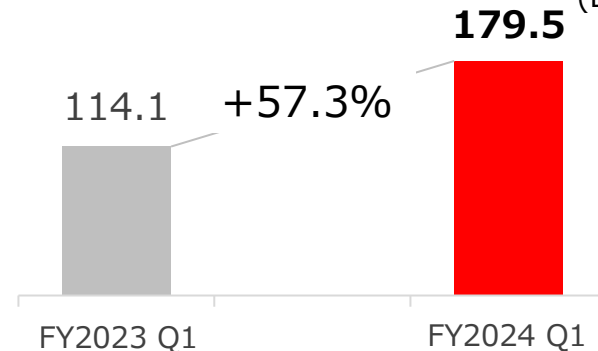
## ② Insurance and service revenue/core operating profit

### Insurance and service revenue (Billions of Yen)



	FY2024 Q1	YoY change
Insurance and service revenue	2,070.2	+ 7.3%
Revenues from insurance and reinsurance	2,004.3	+ 7.6%
Insurance premiums	1,748.4	+ 1.8%
Reinsurance revenue	255.9	+ 75.6%
Nippon Life	1,241.9	- 5.3%
Taiju Life	203.9	+ 27.7%
Nippon Wealth Life	477.0	+ 48.6%
Hanasaku Life	14.7	+ 116.9%
MLC	54.3	+ 3.7%
Other ordinary income	65.9	- 1.6%

### Core operating profit (Billions of Yen)



	FY2024 Q1	YoY change
Core operating profit	179.5	+ 57.3%
Investment yield margin	66.5	+ 407.6%
Net insurance-related gains	111.5	+ 9.4%
Nippon Life	160.9	+ 35.2%
Taiju Life	5.0	+ 147.9%
Nippon Wealth Life	15.0	( + 15.0)*
Hanasaku Life	- 2.9	+ 49.3%
MLC	0.1	- 95.7%

※ Total figures for insurance and service revenues are the sum of revenues from insurance and reinsurance and other ordinary incomes as described in the consolidated statement of income.  
 ※ Total figures for revenues from insurance and reinsurance are calculated using data from Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, Nissay Plus SSI, MLC Limited (hereinafter, MLC), and Nippon Life Insurance Company of America.

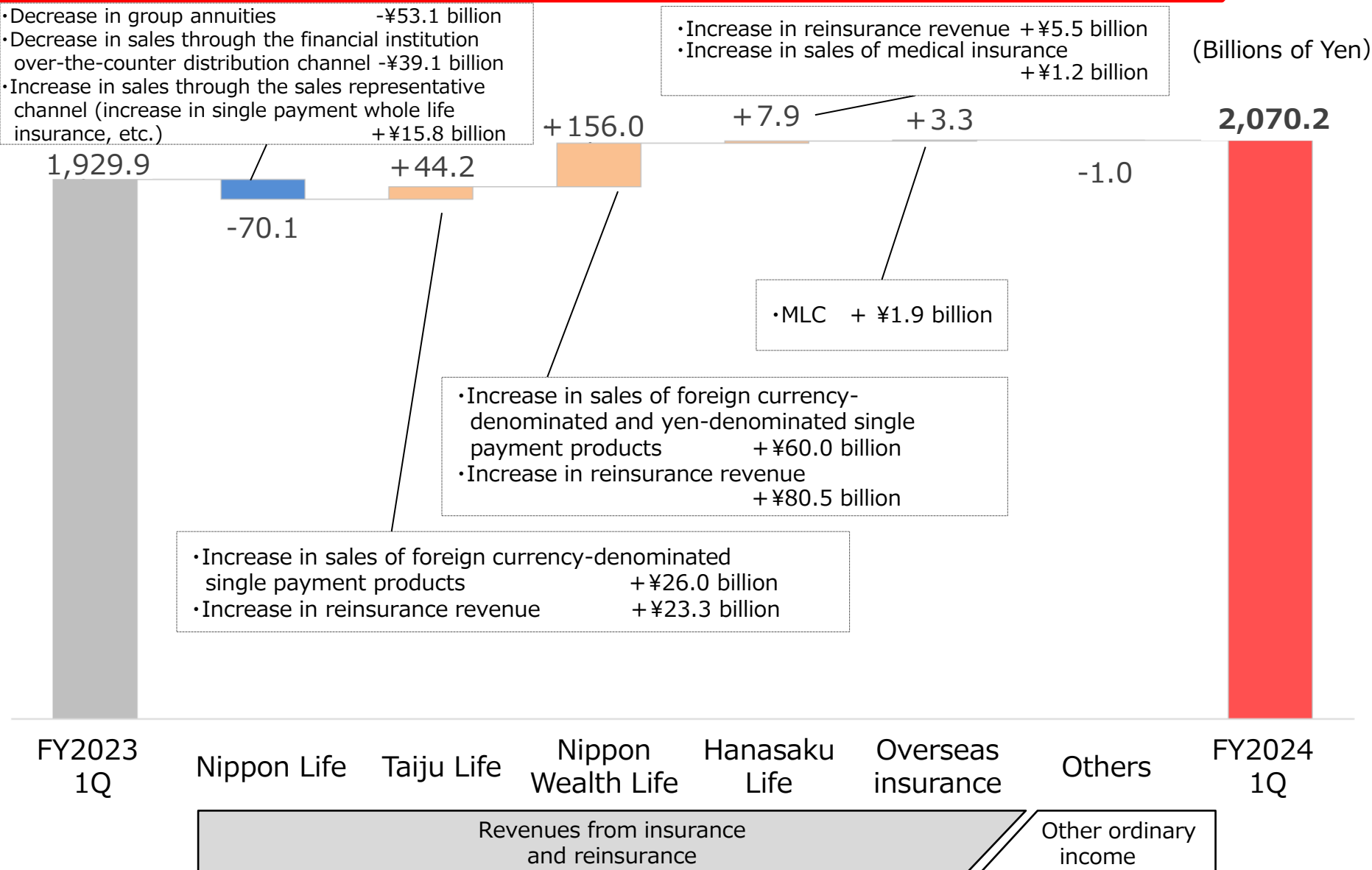
※ Total figures are calculated based on core operating profit of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life, along with net income before taxes of overseas life insurance subsidiaries and affiliates, as well as domestic and overseas asset management subsidiaries and affiliates, with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

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

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

\* Variance has been omitted because it exceeds ±1,000%. The figure in parentheses shows the amount of change year on year.

### ③ Insurance and service revenue



※ Total figures for insurance and service revenues are the sum of revenues from insurance and reinsurance and other ordinary incomes as described in the consolidated statement of income.

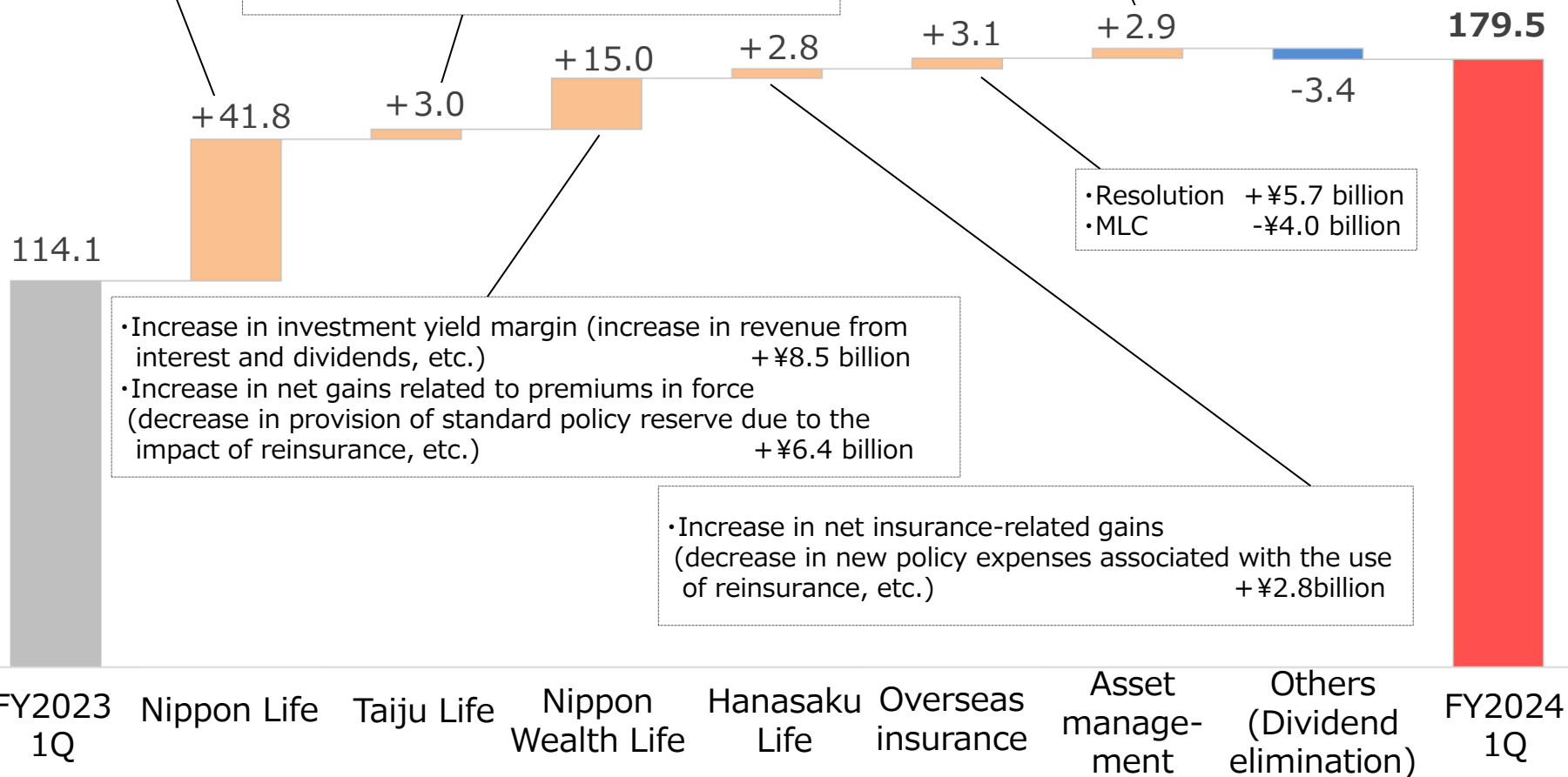
## ④ Core operating profit

• Increase in investment yield margin (increase in revenue from interest and dividends, etc.) +¥40.9 billion

• Improvement in investment gains (decrease in hedge cost, etc.) +¥3.7 billion

• NAM India +¥2.1 billion  
• TCW +¥0.3 billion  
• Nissay Asset +¥0.3 billion

(Billions of Yen)



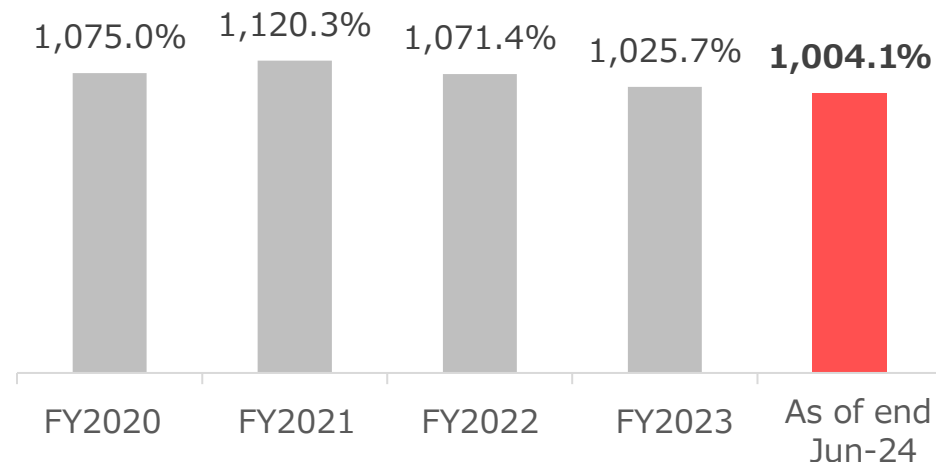
※ Total figures are calculated based on core operating profit of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life, along with net income before taxes of overseas life insurance subsidiaries and affiliates, as well as domestic and overseas asset management subsidiaries and affiliates, with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

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

## ⑤ Soundness

- Solvency margin ratio declined compared to the end of FY2023 as the margin decreased due to an increase in amount of goodwill recorded, and increased investment risk.
- Real net assets declined compared to the end of FY2023 due to a decrease in unrealized gains on securities caused by a rise in interest rates in Japan.

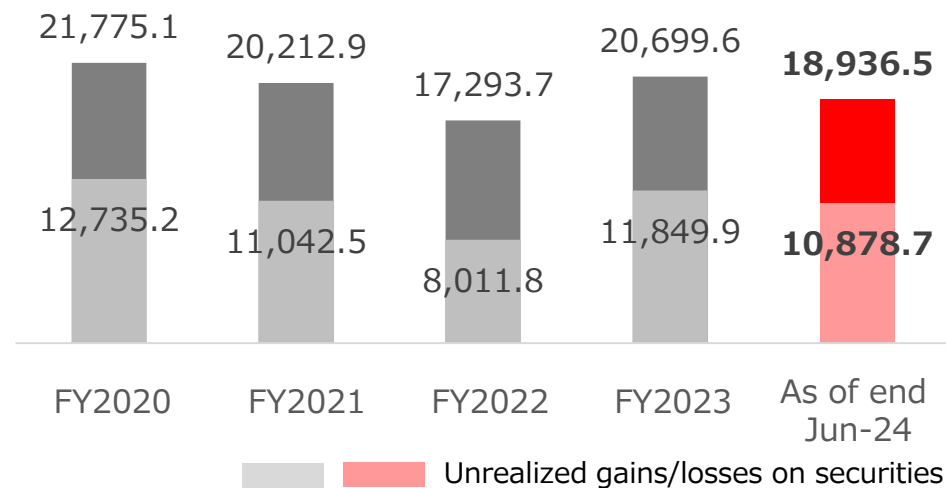
### Solvency margin ratio



※ MLC's figures are based on the new accounting standard since FY2022.

(Billions of Yen)

### Real net asset



※ 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 are based on the new accounting standard since FY2022.

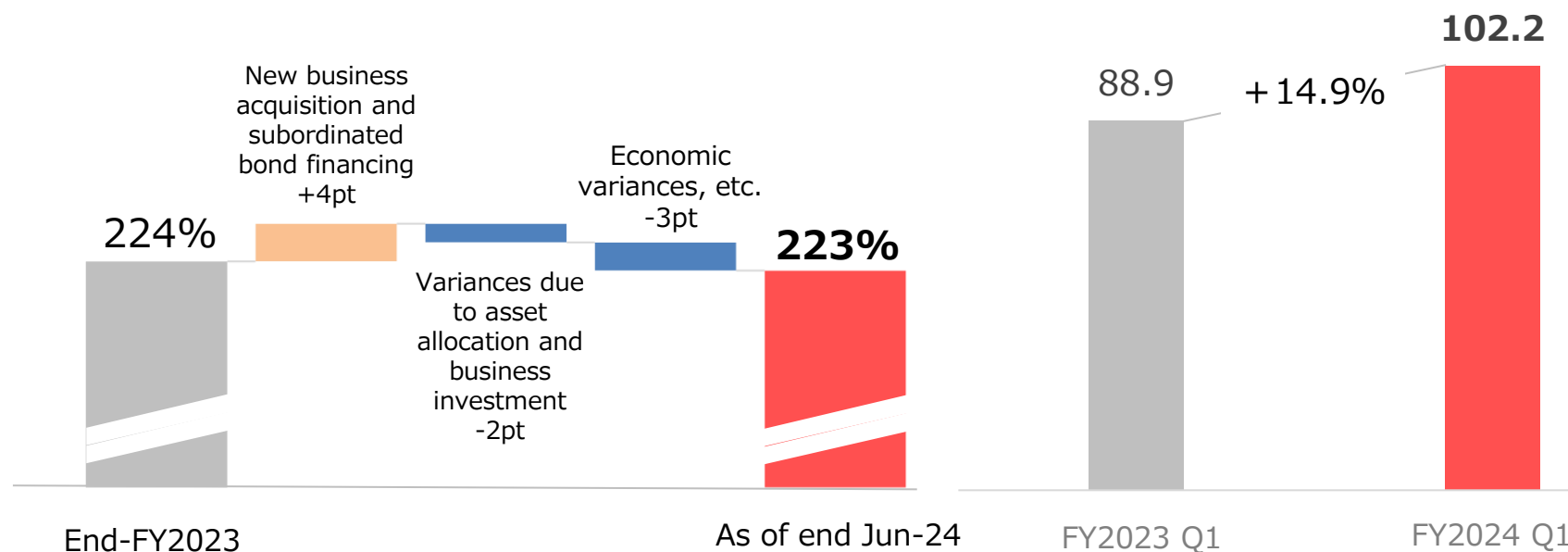
## ⑥ ESR/value of new business

- Economic value-based solvency ratio (ESR) remained at roughly the same level as the end of FY2023 due to the impact of factors including variance associated with business investment, despite an improvement driven by efforts such as new business acquisition and subordinated bond financing.
- Value of new business increased year on year due to the impact of rising interest rates and other factors.

### Economic value-based solvency ratio (ESR)

### Value of new business

(Billions of Yen)



Risk buffer  
(numerator) ¥19.0 trillion

Risk amount  
(denominator) ¥8.5 trillion

¥19.6 trillion

¥8.8 trillion



## ⑦ Statement of income/balance sheet

### Statement of income

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

(Billions of Yen)

	FY2024 Q1	YoY change
Ordinary income	3,190.9	+ 5.3%
Revenues from insurance and reinsurance	2,004.3	+ 7.6%
Investment income	1,120.6	+ 1.9%
Ordinary expenses	3,079.2	+ 1.8%
Benefits and other payments	1,739.8	+ 16.4%
Investment expenses	299.3	-27.7%
Operating expenses	209.9	+ 6.6%
Ordinary profit	111.6	(+ 108.1)*
Extraordinary gains and losses	-39.3	-463.9%
Net surplus (income)	63.2	+ 779.3%

### Balance sheet

- Total assets and liabilities increased compared to the end of FY2023.
- Net assets decreased compared to the end of FY2023.

(Billions of Yen)

	As of end Jun-24	vs end- FY2023
Assets	99,370.5	+ 1.8%
Investments in securities	83,170.5	+ 1.9%
Loans	8,992.3	+ 0.9%
Tangible fixed assets	1,965.2	+ 3.6%
Liabilities	89,236.4	+ 2.5%
Policy reserves and other reserves	75,161.4	+ 1.2%
Policy reserves	73,601.2	+ 1.0%
Reserve for price fluctuations	1,770.1	+ 2.2%
Net assets	10,134.1	-3.9%

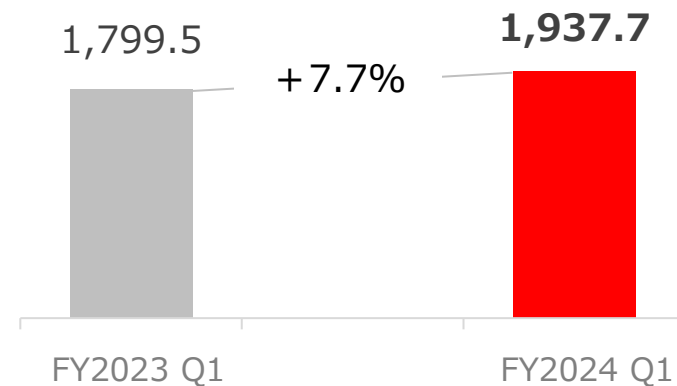
\* Variance has been omitted because it exceeds  $\pm 1,000\%$ . The figure in parentheses shows the amount of change year on year.

※ Net surplus are income attributable to owners of parent.

## ① Revenues from insurance and reinsurance

- Revenues from insurance and reinsurance increased mainly due to an increase in financial institution over-the-counter distribution channel resulting from higher sales of lump-sum payment products.
- Group annuities decreased due to the impact of factors such as a decline in undertaking administration of group annuities.

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



	FY2024 Q1	YoY change
Revenues from insurance and reinsurance (domestic total)	1,937.7	+7.7%
Individual insurance and individual annuities	1,349.8	+6.4%
Sales representative channel	861.2	+3.1%
Agency channel	137.9	+16.9%
Financial institution over-the-counter distribution channel	350.6	+11.5%
Group insurance	84.4	+1.7%
Group annuities	246.6	-18.1%

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

## ② New policies

- Annualized new premiums and the number of new policies for individual insurance and individual annuities increased.

### Individual insurance/annuities

	Annualized premiums		Number of policies		(Billions of Yen, Millions of policies)
	FY2024 Q1	YoY change	FY2024 Q1	YoY change	
Domestic total	125.7	+7.5%	1.17	+13.0%	
Primary coverage products*	17.6	-4.6%	0.98	+13.9%	
Sales representative channel	49.7	+5.0%	1.05	+12.9%	
Agency channel	17.8	+0.7%	0.06	+8.7%	
Financial institution over-the-counter distribution channel	57.6	+11.4%	0.04	-0.2%	
Nippon Life	58.8	-3.9%	1.05	+12.3%	
Taiju Life	9.6	+29.2%	0.03	+2.5%	
Nippon Wealth Life	54.0	+18.8%	0.03	+30.3%	
Hanasaku Life	3.2	+15.5%	0.05	+26.0%	

\* Primary coverage products is defined as products that guarantee death or living benefits and medical products (excluding whole life insurance and fixed long-term insurance, etc.). Number of policies is an estimate.

※ Annualized new premiums, including overseas, is approximately ¥128.0 billion (estimate).

### ③ Policies in force

- Annualized premiums associated with policies in force for individual insurance and individual annuities increased, while the number of policies in force remained flat.
- Group insurance and annuities increased.

#### Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premiums		Number of policies	
	As of end Jun-24	vs end-FY2023	As of end Jun-24	vs end-FY2023
Domestic total	4,808.3	+ 1.1%	38.3	-0.3%
Primary coverage products*	1,311.3	-0.5%	24.97	-0.4%
Nippon Life	3,734.3	-0.2%	34.62	-0.6%
Taiju Life	525.3	+ 1.5%	2.51	-0.3%
Nippon Wealth Life	512.3	+ 10.2%	0.55	+ 5.4%
Hanasaku Life	36.2	+ 7.3%	0.60	+ 8.3%

\* Primary coverage products is defined as products that guarantee death or living benefits and medical products (excluding whole life insurance and fixed long-term insurance, etc.).

Number of policies is an estimate.

※ Annualized premiums in force, including overseas, is approximately ¥5,000 billion (estimate).

#### Group insurance/annuities

	Group insurance (Amount of coverage, etc.)		Group annuities (AUM, etc.)	
	As of end Jun-24	vs end-FY2023	As of end Jun-24	vs end-FY2023
Domestic total	108,539.2	+ 0.6%	20,538.9	+ 3.1%
Nippon Life	97,530.7	+ 0.7%	13,977.1	-0.1%
Taiju Life	11,008.5	+ 0.2%	591.3	-1.1%
Others	-	-	5,970.4	+ 12.1%

※ Others consist of Nippon Wealth Life (¥1.2 billion), investment advisory balance of Nissay Asset Management (¥4,817.2 billion) and investment trusts in defined contribution pension plans (¥1,152.0 billion for Nippon Life's distributors).

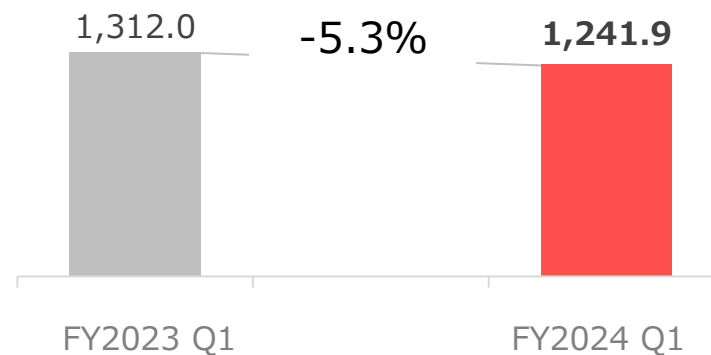
**【Reference】  
Status of each  
Group company**



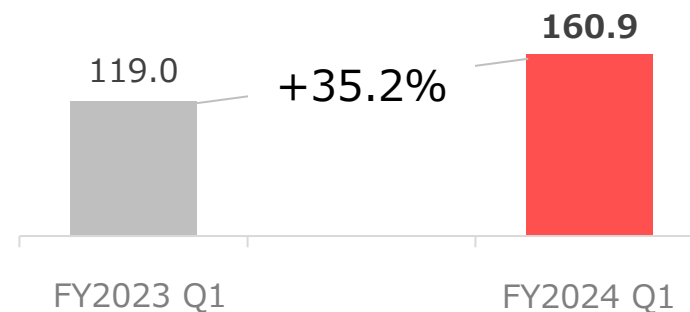
## Nippon Life (nonconsolidated): Revenue and profit

- Nippon Life's nonconsolidated core operating profit increased, while revenue decreased year on year.
- Revenues from insurance and reinsurance declined, mainly due to decreases in group annuities and sales through the financial institution over-the-counter distribution channel.
- Core operating profit increased due to factors including an increase in revenue from interest and dividends, etc.

### Revenues from insurance and reinsurance



### Core operating profit



	FY2024 Q1	YoY change
Core operating profit	160.9	+ 35.2%
Investment yield margin	58.6	+ 230.0%
Net insurance-related gains*	102.2	+ 1.0%

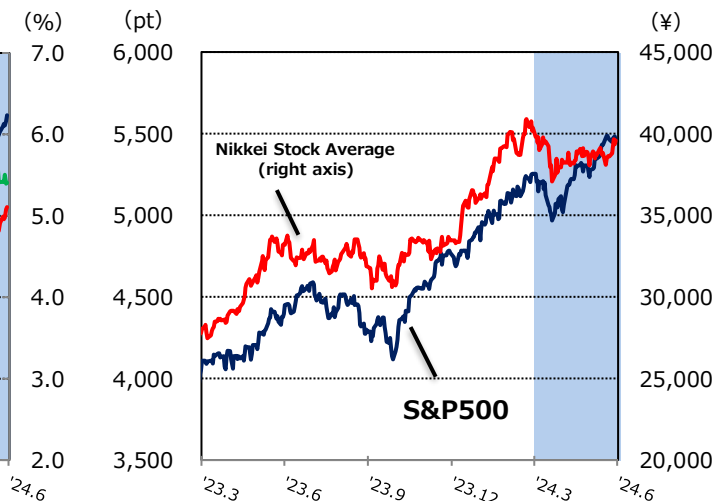
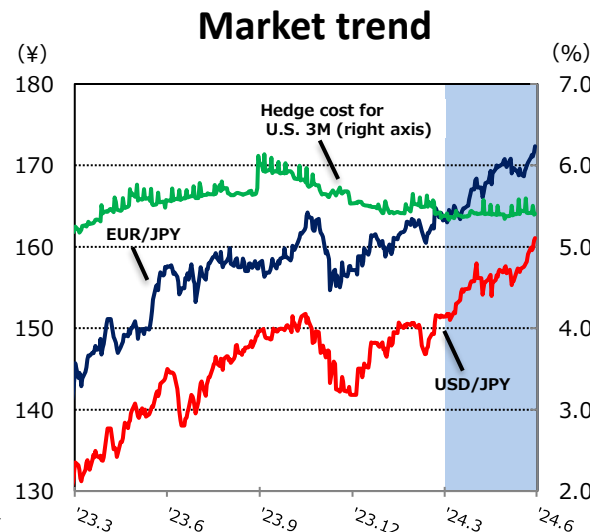
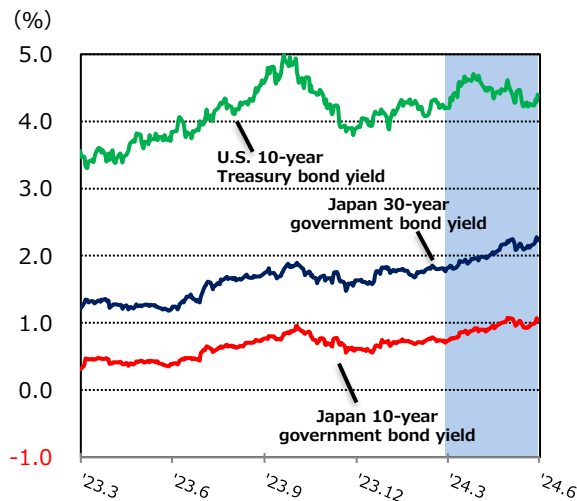
\* Sum of the expense margin and risk margin.

# Nippon Life (nonconsolidated): Asset management

- Net investment income increased year on year.
- Investment income increased mainly due to an increase in revenue from interest and dividends, etc.
- Investment expenses decreased mainly due to a decrease in loss on sales of securities.

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

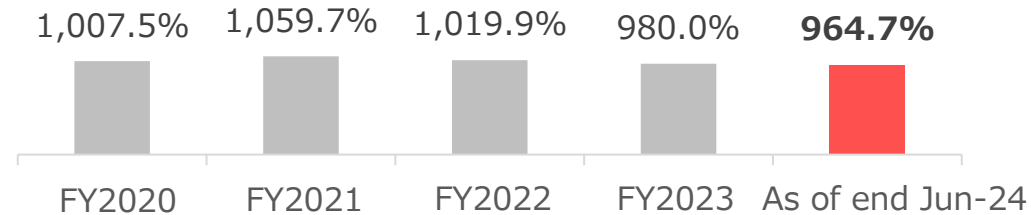
	FY2024 Q1	YoY change
Investment income	602.1	+22.8
Revenue from interest and dividends, etc.	392.4	+51.4
Gain on sales of securities	122.3	-12.6
Foreign exchange gains	82.8	-14.4
Investment expenses	216.8	-60.2
Loss on sale of securities	111.5	-60.8
Loss on valuation of securities	5.9	+4.5
Loss on derivative financial instruments, net	63.9	-10.4
Net investment income	385.3	+83.0



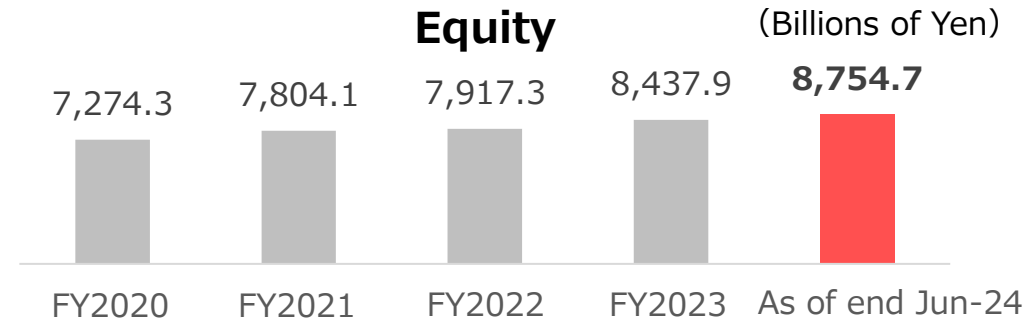
## Nippon Life (nonconsolidated): Soundness

- Solvency margin ratio declined compared to the end of FY2023 accompanying an increase in total amount of risk due to factors that include heightened risk incurred by subsidiaries, etc., which outweighed the increased solvency margins.
- Unrealized gains on securities decreased compared to the end of FY2023 mainly due to an increase in unrealized losses on domestic bonds caused by an interest rate rise in Japan.

### Solvency margin ratio



### Equity



### Unrealized gains/losses

#### on securities

(Billions of Yen)

	As of end Jun-24	vs end-FY2023
Investments in securities	11,177.1	- 825.5
Domestic bonds	- 2,441.2	- 1,429.6
Domestic stocks	9,466.8	- 111.0
Foreign securities	4,091.4	+ 743.2
Others	60.1	- 28.1

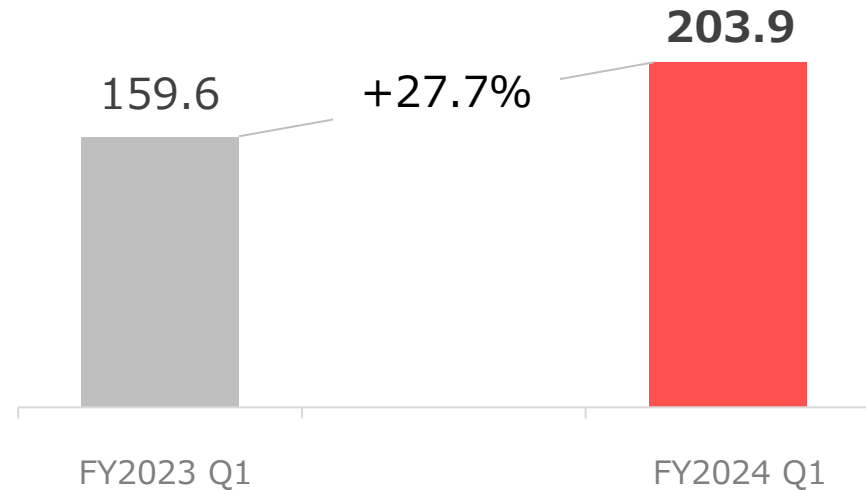
※ Calculations exclude items such as stocks without market prices and entities such as partnerships.



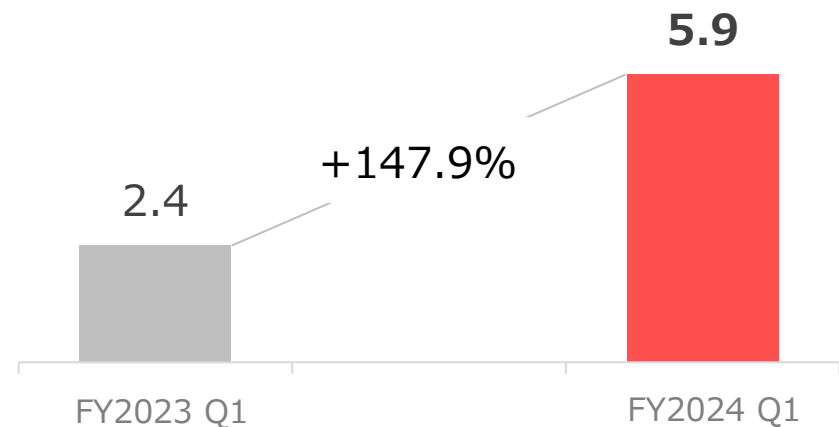
# Taiju Life

- Revenue and profit increased year on year.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of foreign currency-denominated single payment products.
- Core operating profit increased, mainly due to an improvement in investment gains caused by factors including a decrease in hedge cost.

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



## Core operating profit

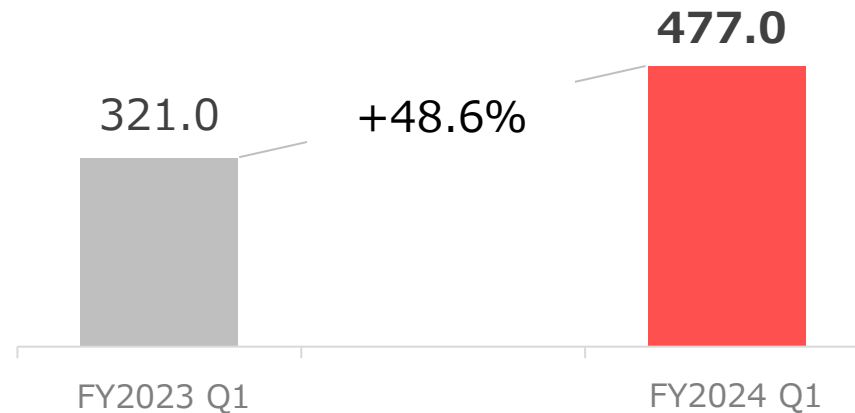


※ Nonconsolidated figures are shown.

# 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, mainly due to an increase in revenue from interest and dividends, etc. accompanying an increase in policies in force, as well as an increase in net insurance-related gains due to the effects of reinsurance.

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



## Core operating profit



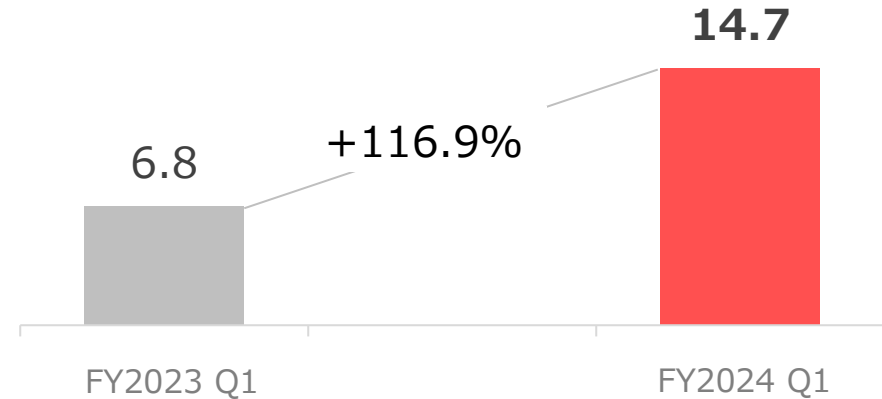
※ Nonconsolidated figures are shown.

\* Variance has been omitted because it exceeds  $\pm 1,000\%$ .

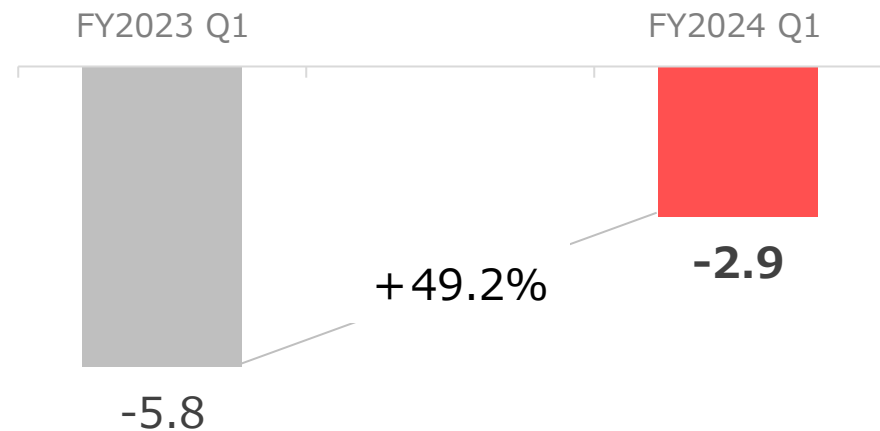
# Hanasaku Life

- Revenue increased and core operating profit improved year on year.
- Revenues from insurance and reinsurance increased mainly due to an increase in in-force business such as medical insurance and an increase in reinsurance revenue.
- Core operating profit improved mainly due to an increase in net insurance-related gains accompanying a decrease in new policy expenses associated with the use of reinsurance, etc., which offset an increase in operating expenses, etc. from business expansion.

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



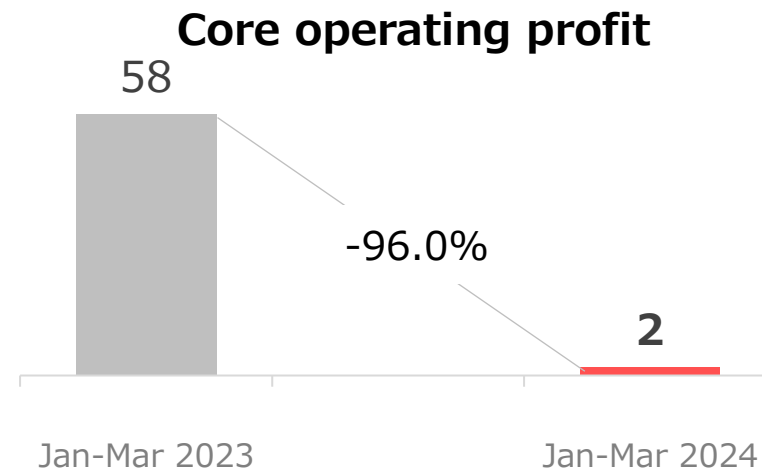
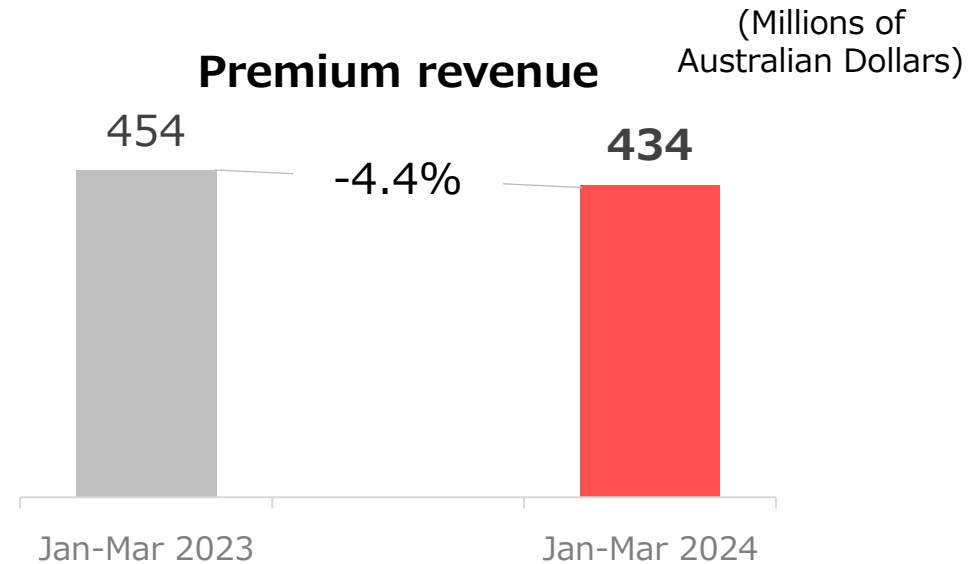
## Core operating profit



※ Nonconsolidated figures are shown.

## MLC

- Premium revenue and core operating profit decreased compared to Jan-Mar 2023.
- Premium revenue decreased mainly due to a downturn in revenue in the group insurance.
- Core operating profit decreased following an increase in payments in individual insurance, etc.



- ※ Nonconsolidated figures are shown.
- ※ For Q1 earnings, Nippon Life's consolidated performance reflects MLC's results for January to March.
- ※ Premium revenue is shown based on an earned basis Japanese accounting standards.

## 1. Definition and overview

### ESR (Economic Solvency Ratio) :

A ratio that shows the sufficiency of capital (risk buffer) relative to the amount of risk of the entire Group. The amount of risk and the risk buffer are calculated based on the economic value\*<sup>1</sup> of assets and liabilities held.

### Risk buffer (the numerator of ESR):

The risk buffer refers to the capital available to address risk. It is calculated as the sum of net assets shown on the consolidated balance sheet and internal reserves with liability characteristics, such as the reserve for price fluctuations in investments in securities and the contingency reserve; subordinated debt; unrealized gains and losses on assets such as bonds held to maturity, policy-reserve-matching bonds, loans, and real estate; and unrealized gains and losses on insurance liabilities; and deducting from this amount the surplus to be appropriated and intangible assets such as goodwill.

Additionally, unrealized gains and losses on insurance liabilities are calculated as the present value of future profits arising from in-force business, less the time value of options and guarantees\*<sup>2</sup> and the risk margin\*<sup>3</sup>.

### Amount of risk (the denominator of ESR):

The amount of risk represents a statistical valuation of the losses that could occur as a result of changes in the environment surrounding Nippon Life. It measures life insurance risk, catastrophe risk, market risk, credit risk, and operational risk. The amount of risk is measured as the maximum loss that could occur with a 99.5% confidence level during the following year using methodologies such as Value at Risk (VaR).

### Value of new business:

The value of new business represents the present value of future profits arising from new insurance policies written (including policy conversions) during the fiscal period\*<sup>4</sup>. The same assumptions are used to calculate unrealized gains and losses on insurance liabilities.

\*1 The present value of future cash flows derived from valuations consistent with market prices, or methodologies using market-consistent principles, techniques, and parameters.

\*2 Represents the costs associated with guarantees made by an insurance company to provide financial security and protection even during adverse economic conditions, such as minimum interest rate and benefit guarantees.

\*3 The amount necessary to set aside for fluctuations in future cash flows related to insurance policies.

\*4 The time value of options and guarantees for new business has also been deducted from value of new business.

## 2. Assumptions

### Economic assumptions

#### (a) Risk-free rate

Government bond yields as of the valuation date are used as the reference rates\*<sup>5</sup>.

#### (b) Discount rates

The discount rates are set for each period based on categories covering the period of cash flow generation in years.

#### Category 1 (0 to 30th year)

Add the expected rate of return to the spot rate (risk-free rate) of government bonds in the same currency as the liabilities.

#### Category 2 (from the 31th to 60th year)

Set an assumed UFR\*<sup>6</sup> and extrapolate using the Smith-Wilson method so that the forward rate from the 31st year onward, with the 30th year as the initial year of extrapolation, becomes the UFR over a 30-year period.

#### Category 3 (from the 61th year onward)

Set the UFR as the forward rate.

(Reference) Government bond yield rates as of end of June, 2024

Period	Yen	U.S. dollar	Australian dollar
10 years	1.1%	4.4%	4.4%
20 years	2.0%	4.7%	4.7%
30 years	2.3%	4.5%	4.8%

### Non-economic assumptions

Future cash flows such as premiums, operating expenses, claims and benefits, surrender benefits, and policyholder dividends are projected for each type of insurance, considering factors such as improvement in the mortality rate and inflation rate based on the historical payment record and other conditions.

\*5 However, economic assumptions as of the last day of the policy anniversary month or the end of the three-month period that the policy anniversary month falls under are used to determine the value of new business for certain products.

\*6 When determining the present value of liabilities with ultra-long-term maturities for which market interest rates cannot be observed, interest rates for ultra-long-term maturities are estimated based on the principle that the forward rate will converge at a certain level (the Ultimate Forward Rate, or UFR). The UFR is 2.9% for the yen interest rate, 3.5% for the U.S. dollar, and 4.0% for the Australian dollar.