

Overview of Financial Results for the Fiscal Year Ended March 31, 2023

May 24, 2023

Nippon Life Insurance Company

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① Highlights

GROUP

Revenues from insurance and reinsurance

 **¥6,373.5 billion**

(vs FY2021 +18.3% / vs FY2019 +11.4%)

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

Core operating profit

 **¥479.4 billion**

(vs FY2021 -43.7% / vs FY2019 -12.6%)

- Decreased mainly due to higher benefit payments related to COVID-19, an increase in hedge costs, and increase in provision of standard policy reserve of Nippon Wealth Life.

Annualized new premium

 **¥404.4 billion**

(vs FY2021 +2.6% / vs FY2019 -0.7%)

- Increased compared to FY2021 due to an increase in sales of foreign-currency denominated products of Nippon Wealth Life and Taiju Life, despite a decrease at Nippon Life mainly due to the revision of the premium rate for savings-type products.

Annualized premium in force

 **¥4,594.4 billion**

(vs end March-22 +0.5%)

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

Domestic life insurance Individual insurance/ annuities

GROUP

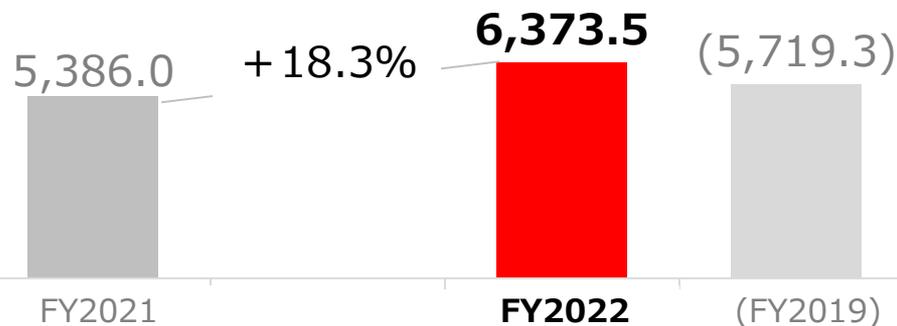
Business outlook

**Decrease in revenue
and increase in profit**

- Revenues from insurance and reinsurance decrease mainly due to a decline in group annuities at Nippon Life.
- Core operating profit increases 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)



Core operating profit (Billions of Yen)



	FY2022	vs FY2021	vs FY2019
Revenues from insurance and reinsurance	6,373.5	+18.3%	+11.4%
Nippon Life	4,647.9	+7.9%	+2.7%
Taiju Life	884.8	+77.5%	+32.5%
Nippon Wealth Life	570.5	+63.0%	+84.6%
Hanasaku Life	22.2	+61.7%	+1,321.8%
MLC	208.4	+15.0%	+18.9%

	FY2022	vs FY2021	vs FY2019
Core operating profit	479.4	-43.7%	-12.6%
Investment yield margin	245.7	-32.9%	+233.6%
Insurance-related gains and losses	216.3	-53.4%	-54.0%
Nippon Life	498.8	-35.7%	-2.4%
Taiju Life	17.3	-56.3%	-26.1%
Nippon Wealth Life	-29.4	(33.9)*	(19.9)*
Hanasaku Life	-24.6	-30.1%	-140.2%
MLC	6.8	+190.8%	(-8.7)*

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

※ Hanasaku Life's results for 2019 represent its results since the start date of its business (June 24, 2019).

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

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

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

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

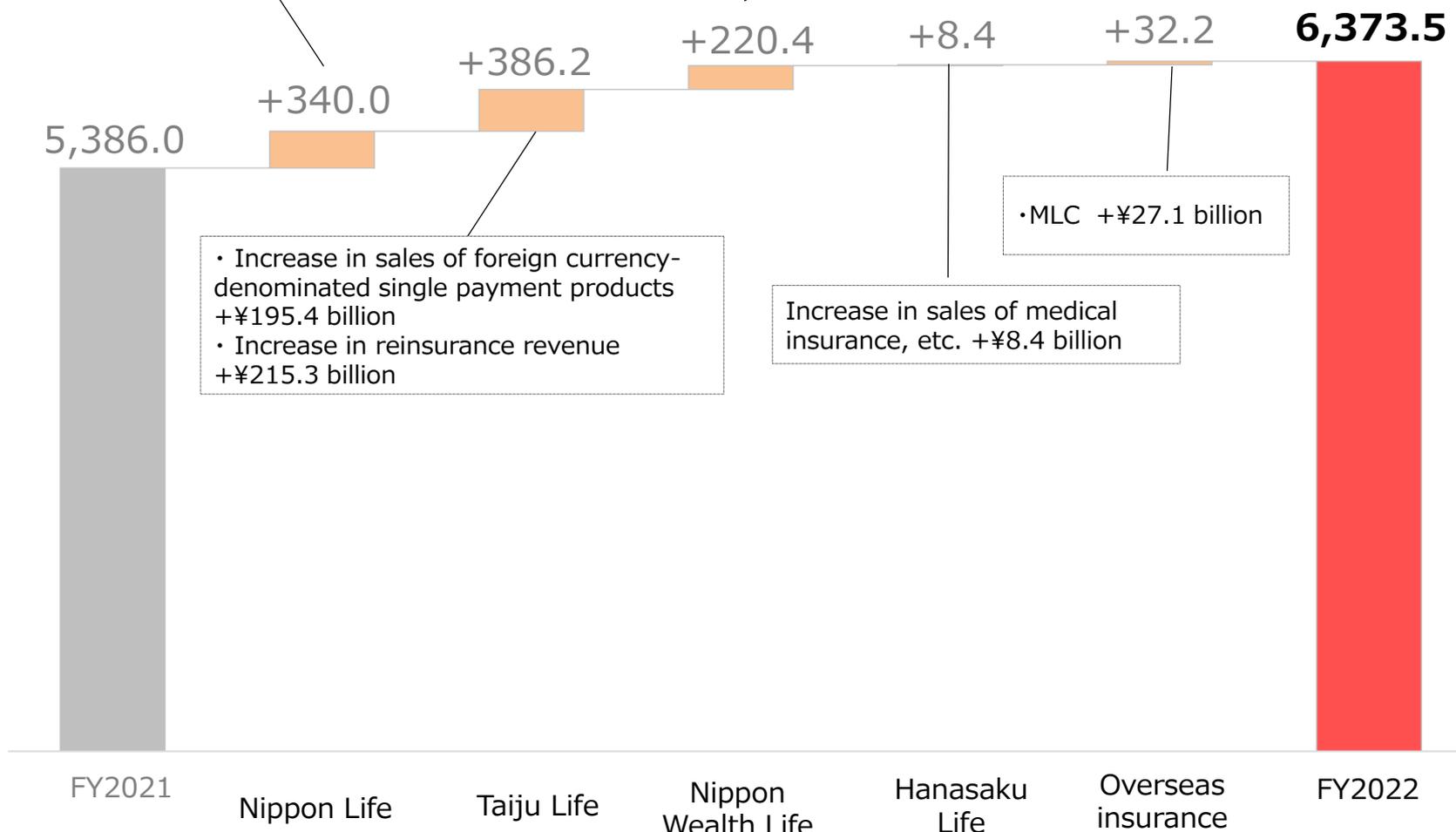
* Increase/decrease rates could not be calculated because of the different signs of the figures for the fiscal year under review and the fiscal year under comparison. Figures in parentheses represent the result for each fiscal year.

③ Revenues from insurance and reinsurance

• Increase in sales of foreign currency-denominated and yen-denominated single payment products, etc.
+¥364.1 billion

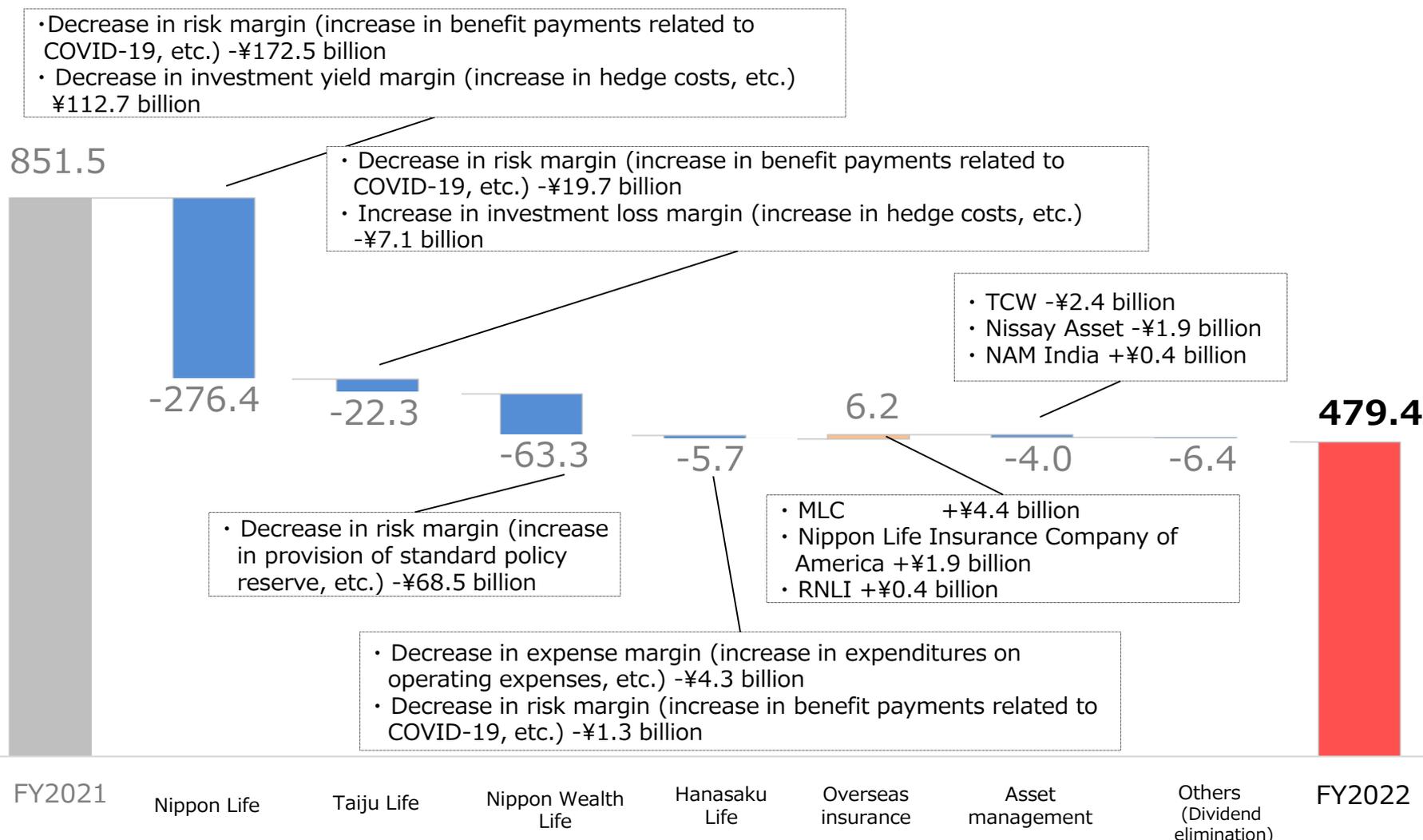
• Increase in sales of foreign currency-denominated single payment products, etc.
+¥189.9 billion

(Billions of Yen)



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

④ Core operating profit



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

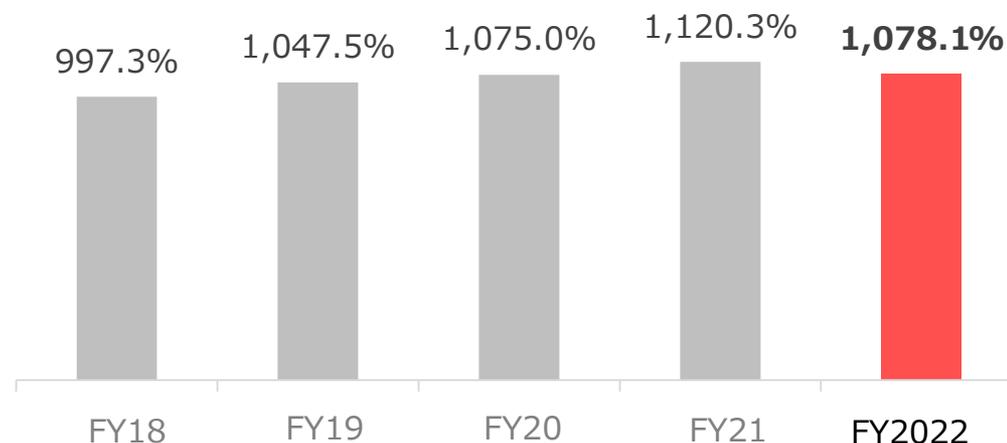
※ [Company names] Nissay Asset: Nissay Asset Management Corporation, RNLI: Reliance Nippon Life Insurance Company Limited, NAM India: Nippon Life India Asset Management Limited.

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

⑤ Soundness

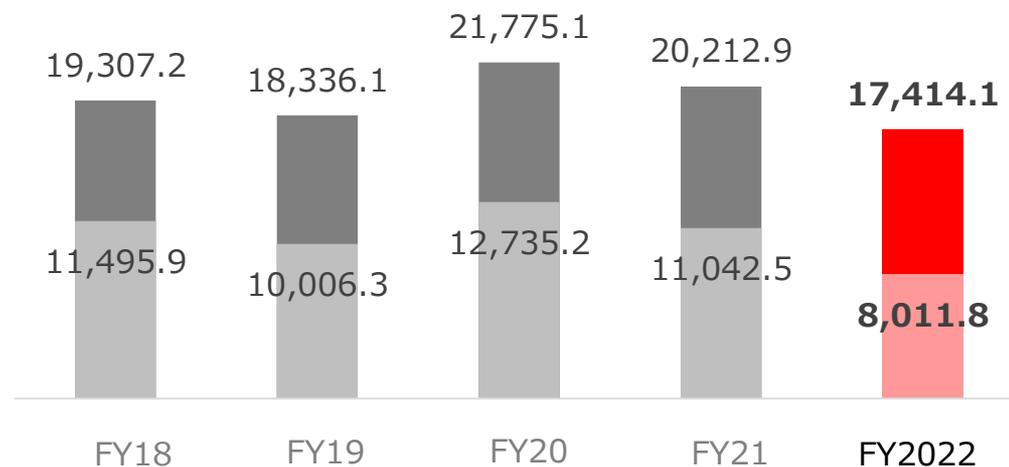
- Solvency margin ratio declined compared to the end of FY2021 due to a decrease in unrealized gains on other available-for-sale securities.
- Real net assets decreased compared to the end of FY2021 due to a decrease in unrealized gains on securities.
- Economic Solvency Ratio (ESR)*, which is the solvency ratio based on economic value, was 244% as of the end of FY2022.
* 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



Real net assets

(Billions of Yen)



Unrealized gains/losses on securities

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

⑥ Statements of income/Balance sheet

Statements of income

- Ordinary income and net surplus decreased compared to FY2021.

	(Billions of Yen)	
	FY2022	vs FY2021
Ordinary income	9,639.1	+ 15.3%
Revenue from insurance and reinsurance	6,373.5	+ 18.3%
Investment income	2,992.1	+ 11.0%
Ordinary expenses	9,496.7	+ 21.4%
Benefits and other payments	5,470.8	+ 18.2%
Investment expenses	1,391.9	+ 260.2%
Operating expenses	816.4	+ 1.7%
Other ordinary expenses [※]	389.8	+ 9.2%
Ordinary profit	142.3	-73.4%
Extraordinary gains and losses	-18.9	+ 77.8%
Net surplus (income)	118.2	-65.9%

Balance sheet

- Total assets and net assets decreased compared to the end of March 2022.

	(Billions of Yen)	
	As of end Mar-23	vs end Mar-22
Assets	87,594.6	-0.9%
Investments in securities	72,332.8	-1.4%
Loans	8,636.4	+ 2.4%
Tangible fixed assets	1,858.4	-0.9%
Liabilities	80,543.6	+ 0.3%
Policy reserves and other reserves	71,359.5	+ 2.1%
Policy reserves	69,968.8	+ 2.1%
Reserve for price fluctuations	1,684.7	+ 0.0%
Net assets	7,051.0	-12.4%

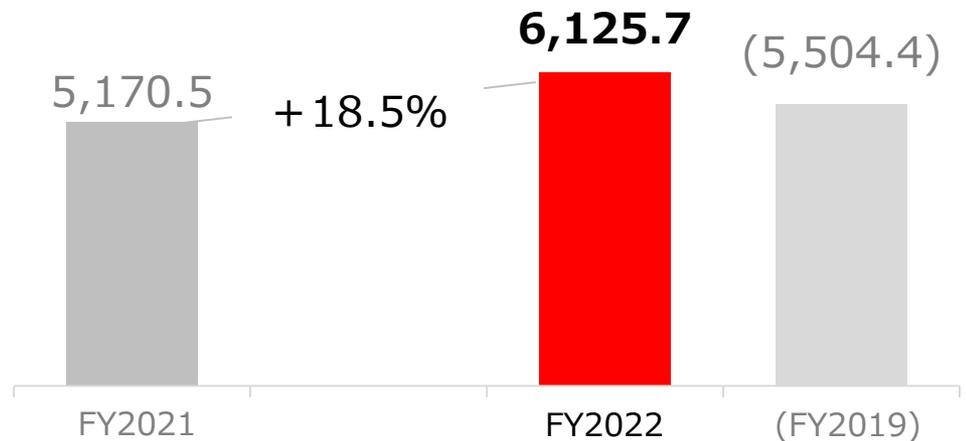
※ Includes impairment on equivalent amount of goodwill, etc., (PT Sequis (Sequis Life's holding company): ¥7.3 billion, TCW: ¥16.1 billion) In Nippon Life's nonconsolidated statement of income, loss on valuation of shares of subsidiaries and associates (PT Sequis / Sequis Life: ¥20.8 billion, NLA (TCW's holding company): ¥10.6 billion) was recorded as an extraordinary loss.

① Revenues from insurance and reinsurance

- Increased compared to FY2021 mainly due to an increase in the bancassurance and agency channels through an increase in sales of foreign currency-denominated single payment products and an increase in the sales representative channel through an increase in sales of yen-denominated single payment products.
- Also increased compared to FY2019 due to increases in the bancassurance, sales representative and agency channels.

Revenues from insurance and reinsurance (domestic total)

(Billions of Yen)



	FY2022	vs FY2021	vs FY2019
Revenue from insurance and reinsurance (domestic total)	6,125.7	+18.5%	+11.3%
Individual insurance and individual annuities	4,473.2	+20.9%	+14.3%
Sales representative channel	2,956.1	+7.8%	+5.2%
Agency channel	567.4	+31.8%	+27.3%
Bancassurance channel	949.5	+79.9%	+44.2%
Group insurance	282.4	-0.9%	+1.8%
Group annuities	1,061.0	-3.0%	-5.7%

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

② New policies

- Annualized premiums for individual insurance and individual annuities increased compared to FY2021, but decreased compared to FY2019. The number of policies and amount of coverage, etc., decreased compared to FY2021 and FY2019.

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium			Number of policies			Amount of coverage, etc.		
	FY2022	vs FY2021	vs FY2019	FY2022	vs FY2021	vs FY2019	FY2022	vs FY2021	vs FY2019
Domestic total	404.4	+2.6%	-0.7%	4.50	-7.5%	-14.5%	8,196.0	-17.9%	-14.0%
Sales representative channel	177.3	-21.6%	-16.2%	4.10	-11.0%	-18.3%	5,086.6	-32.1%	-37.2%
Agency channel	74.8	+19.8%	+86.5%	0.25	+27.2%	+71.1%	1,984.2	+3.0%	+181.2%
Bancassurance channel	151.7	+43.6%	-2.5%	0.13	+124.0%	+32.8%	1,104.8	+96.2%	+50.4%
Nippon Life	235.4	-14.0%	-6.0%	4.11	-8.3%	-17.5%	5,712.7	-30.4%	-32.3%
Taiju Life	35.5	+47.3%	+7.0%	0.14	-35.1%	-24.7%	782.8	+19.8%	-2.9%
Nippon Wealth Life	122.7	+38.9%	+2.5%	0.07	+111.8%	+184.8%	751.7	+107.2%	+175.0%
Hanasaku Life	10.6	+35.0%	+176.7%	0.17	+37.2%	+167.7%	948.6	+25.2%	+9,615.5%

※ Hanasaku Life began sales of protection products in the fourth quarter of FY2019.

③ Policies in force

- For individual insurance and individual annuities, annualized premium and number of policies increased, but amount of coverage, etc. decreased.
- Group insurance decreased while group annuities increased.

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium		Number of policies		Amount of coverage, etc.	
	As of end Mar-23	vs end Mar-22	As of end Mar-23	vs end Mar-22	As of end Mar-23	vs end Mar-22
Domestic total	4,594.4	+0.5%	38.34	+1.1%	171,358.7	-2.1%
Nippon Life	3,741.7	-0.8%	34.98	+0.8%	149,164.7	-2.8%
Taiju Life	506.5	-1.0%	2.54	-1.8%	16,541.5	-4.5%
Nippon Wealth Life	321.7	+18.3%	0.41	+15.9%	3,956.6	+16.1%
Hanasaku Life	24.3	+56.8%	0.39	+59.1%	1,695.7	+102.5%

Group insurance/annuities

Group insurance

(Amount of coverage, etc.)

Group annuities

(AUM, etc.)

	Group insurance		Group annuities	
	As of end Mar-23	vs end Mar-22	As of end Mar-23	vs end Mar-22
Domestic total	108,565.2	-1.2%	18,629.3	+0.7%
Nippon Life	97,501.8	-0.8%	14,092.6	+1.4%
Taiju Life	11,063.3	-4.5%	661.5	-15.3%

※ The domestic total of group insurance and group annuities represents the sum of figures for Nippon Life, Taiju Life, and Nippon Wealth Life.
The domestic total for group annuities includes the investment advisory balance of Nissay Asset Management (¥3,097.3 billion) and investment trusts in defined contribution pension plans (¥776.6 billion for Nippon Life's distributors).

④ Policyholder dividends

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

Policy on policyholder dividends

Nippon Life

- Provide policyholder dividends for individual insurance and individual annuities.
 - The risk margin dividend and investment yield margin dividend are both unchanged.
 - Number of eligible policies: Approx. 10 million.

Taiju Life

- Provide policyholder dividends for individual insurance and individual annuities.
 - The dividend levels are unchanged.
 - Number of eligible policies: Approx. 30,000

【Reference】 Payment of benefits for COVID-19

■ Death benefits

	FY2022
Death benefits	3,984 cases ¥31.64 billion
Accident/Injury rider	607 cases ¥3.67 billion

■ Hospitalization benefits

	FY2022
Hospitalization benefits	1,302,010 cases ¥181.15 billion
Hospitalization at an extraordinary facility	1,252,862 cases ¥172.8 billion

【Reference】 FY2021 results

■ Death benefits

	FY2021
Death benefits	1,929 cases ¥16.36 billion
Accident/Injury rider	298 cases ¥1.78 billion

■ Hospitalization benefits

	FY2021
Hospitalization benefits	151,614 cases ¥22.68 billion
Hospitalization at an extraordinary facility	133,496 cases ¥19.87 billion

Business outlook for FY2023

- The business outlook for FY2023 calls for a decrease in revenue and an increase in profit on a Group total basis compared to the previous fiscal year.
- Revenues from insurance and reinsurance are expected to decrease mainly due to a decline in sales of single payment products in bancassurance, etc.
- 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.

*The business outlook is based on a current understanding of the environment, and is subject to change during the period depending on factors such as future business performance and market trends.

(Billions of Yen, Millions of Australian Dollars)

	Revenues from insurance and reinsurance		Core Operating Profit	
	FY2022	FY2023 (forecast)	FY2022	FY2023 (forecast)
Group total (excluding MLC)	6,373.5	Decrease ^{*2} (Approx. 5,800.0)	479.4	Increase ^{*2} (Approx. 600.0)
Nippon Life	4,647.9	Decrease	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	1,840	— ^{*1}	75	— ^{*1}

*1 In Australia, there will be a transition to a new accounting standard that conforms to IFRS 17 beginning in FY2023.

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

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

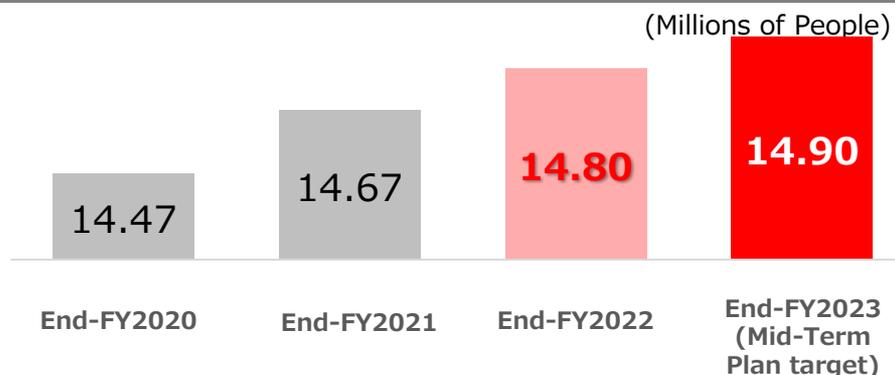
※ The Group total for core operating profit is calculated from Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life and net income before taxes of overseas life insurance subsidiaries and affiliates and domestic and overseas asset management subsidiaries and affiliates and with adjustment based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

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

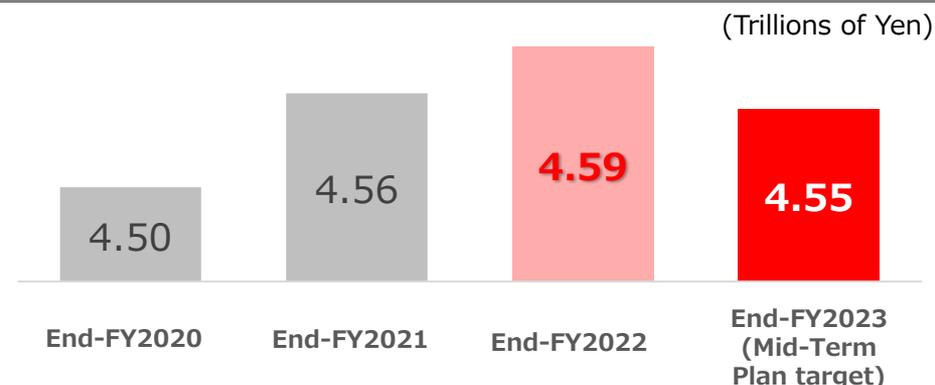
【Reference】 Status of progress on achieving the numerical targets of Mid-Term Management Plan (2021-2023)

- Results for the number of customers and annualized premiums in force are progressing steadily toward numerical targets.
- Core operating profit was above target in FY2021, but it was below target in FY2022 mainly due to an increase in benefit payments related to COVID-19. Capital is on an upward trajectory, but it has been pushed down by the benefit payments.

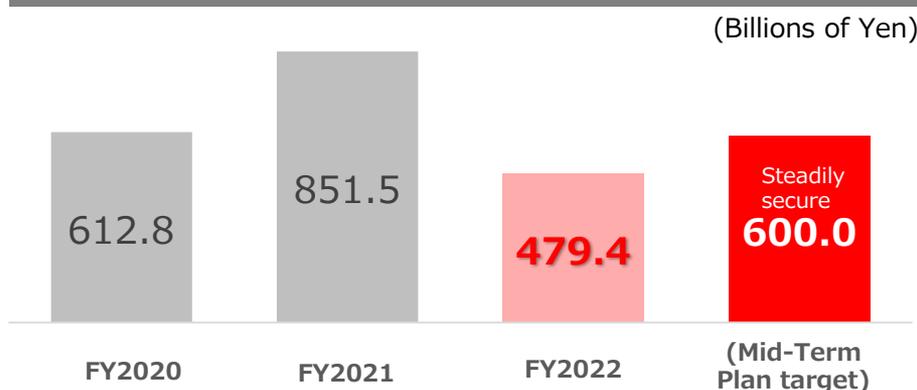
Number of Customers (Domestic Group)



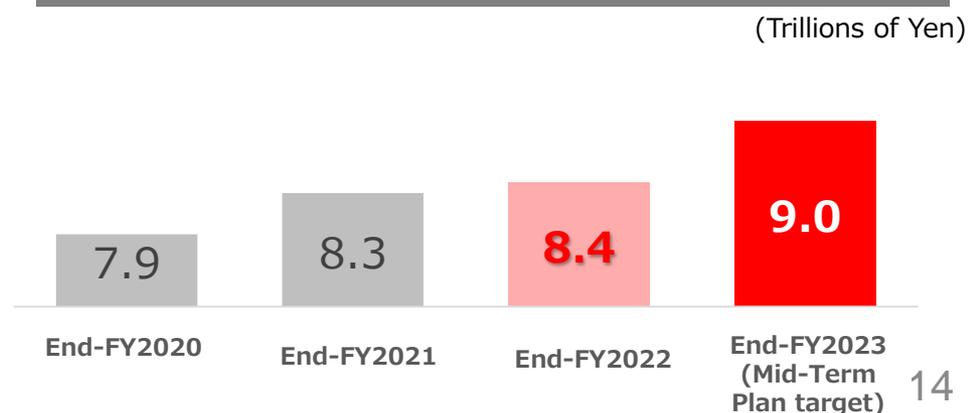
Annualized Premiums in Force (Domestic Group)



Core Operating Profit (Group)



Capital (Group)



※ All figures are based on the calculation method applied since FY2022.

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

【Reference】 Nippon Life (nonconsolidated): Revenue

- Nippon Life's revenue increased and profit decreased compared to FY2021.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of single payment whole life insurance caused by a rise in interest rates.
- Core operating profit decreased mainly due to a significant decrease in the risk margin accompanying higher benefits payments related to COVID-19 and a decline in the investment yield margin reflecting an increase in hedge costs.

Revenues from insurance and reinsurance (Billions of Yen)



Core operating profit



	FY2022	vs FY2021	vs FY2019
Core operating profit	498.8	-35.7%	-2.4%
Investment yield margin	234.4	-32.5%	+176.5%
Expense margin	45.2	+24.3%	+60.3%
risk margin	219.1	-44.0%	-45.0%

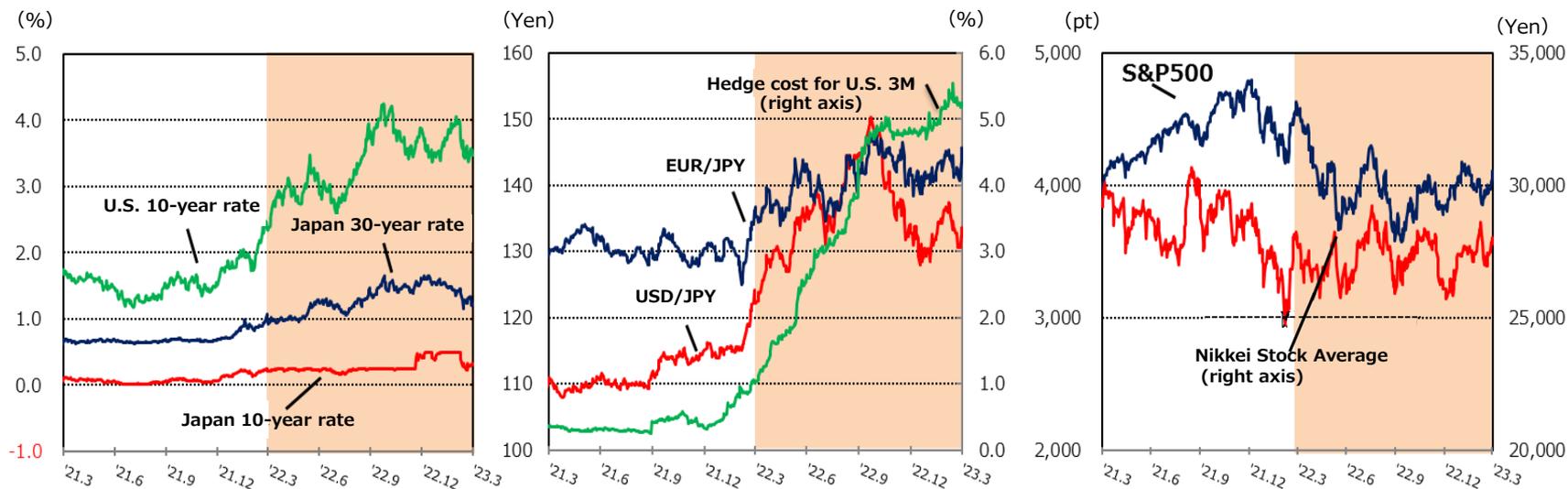
【Reference】 Nippon Life (nonconsolidated): Asset management

- Net investment income decreased compared to FY2021.
- Investment income increased mainly due to increases in interest, dividends, and other income and gain on sales of securities.
- Investment expenses increased mainly due to an increase in loss on sales of securities.

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

	FY2022	vs FY2021
Invest income	2,594.8	+ 507.8
Interest, dividends, and other income	1,728.1	+ 190.7
Gain on sales of securities	805.5	+ 340.3
Foreign exchange gains	31.3	-38.9
Investment expenses	1,185.4	+ 929.2
Loss on sale of securities	874.3	+ 760.7
Loss on valuation of securities	6.2	-6.8
Loss on derivative financial instrument, net	175.9	+ 162.9
Net investment income	1,409.3	-421.3

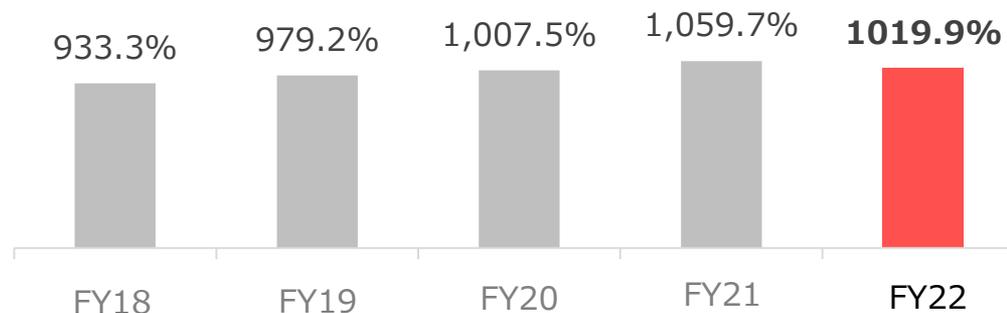
Market Conditions



【Reference】 Nippon Life (nonconsolidated): Soundness

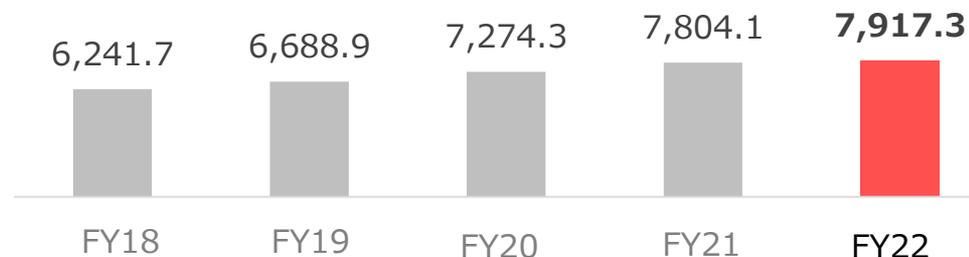
- Solvency margin ratio declined compared to the end of FY2021 due to a decrease in unrealized gains on available-for-sale securities.
- Unrealized gains on securities decreased compared to the end of FY2021, mainly due to a decrease in unrealized gains on domestic bonds and foreign securities in response to a rise in domestic and overseas interest rates.

Solvency Margin Ratio



Capital

(Billions of Yen)



Unrealized gains/losses on securities

(Billions of Yen)

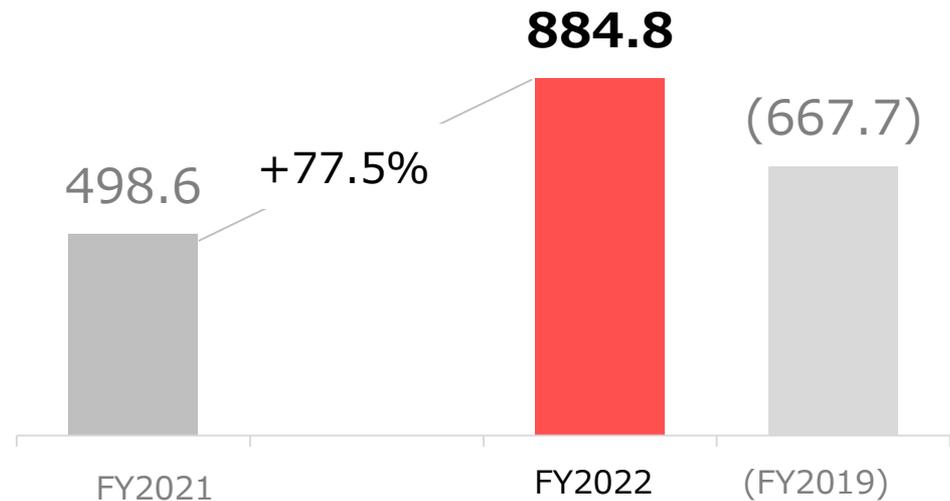
	As of end Mar-23	vs end Mar-22
Investments in securities	8,075.3	-2,603.5
Domestic bonds	751.2	-1,383.8
Domestic stocks	5,615.5	-9.4
Foreign securities	1,725.3	-1,086.9
Others	-16.7	-123.2

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

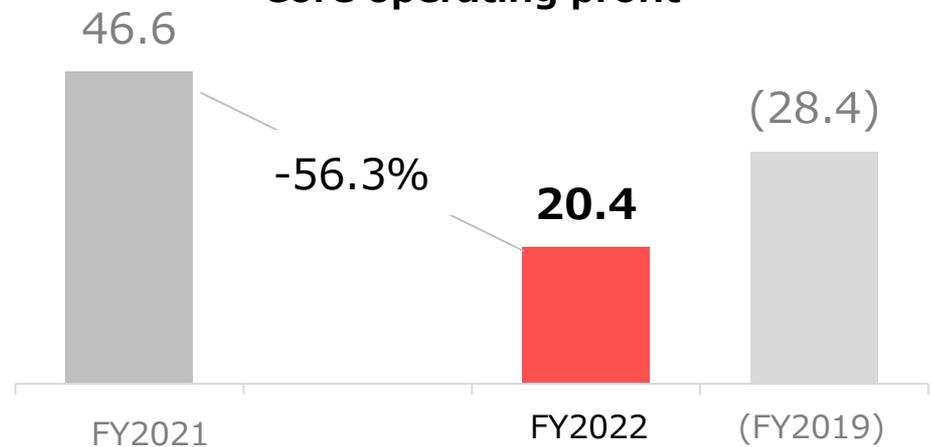
【Reference】 Taiju Life

- Revenue increased and profit decreased compared to FY2021.
- Revenues from insurance and reinsurance increased due to an increase in sales of foreign currency-denominated single payment products and an increase in reinsurance revenue.
- Core operating profit decreased due to a decrease in the risk margin through an increase in benefit payments related to COVID-19 and an increase in the investment loss margin caused by an increase in hedge costs.

Revenues from insurance and reinsurance (Billions of Yen)



Core operating profit



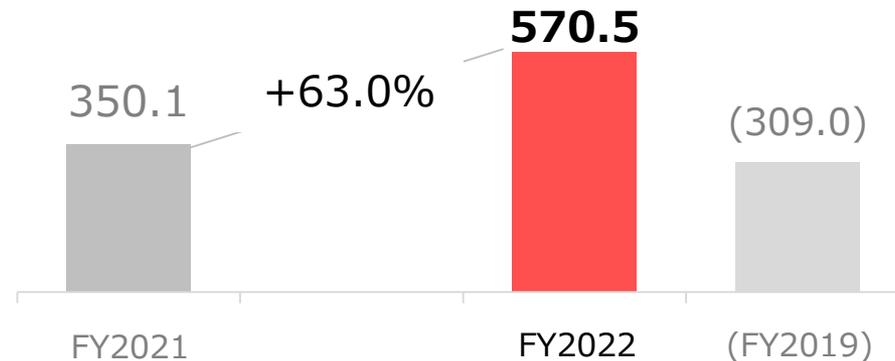
※ Nonconsolidated figures are shown.

【Reference】 Nippon Wealth Life

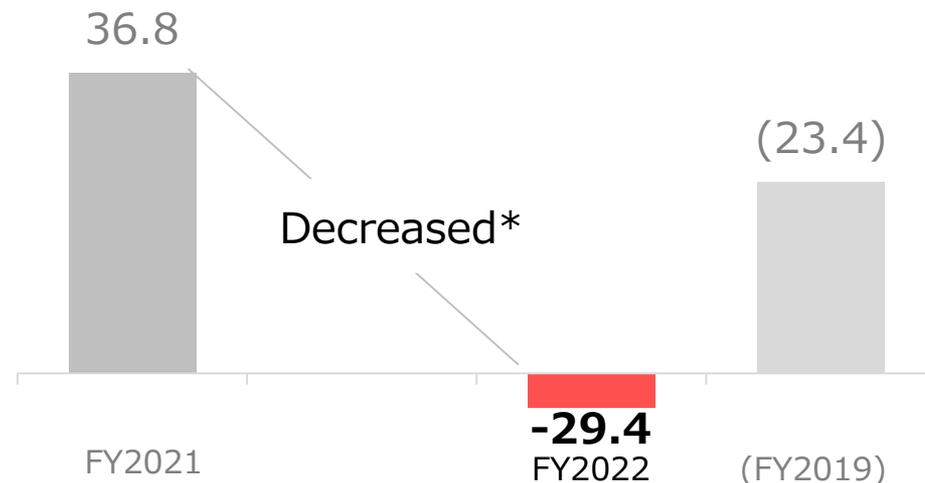
(Billions of Yen)

- Revenue increased and profit decreased compared to FY2021.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of foreign currency-denominated products.
- Core operating profit decreased due to a decrease in the risk margin caused by provision of standard policy reserve.

Revenues from insurance and reinsurance



Core operating profit



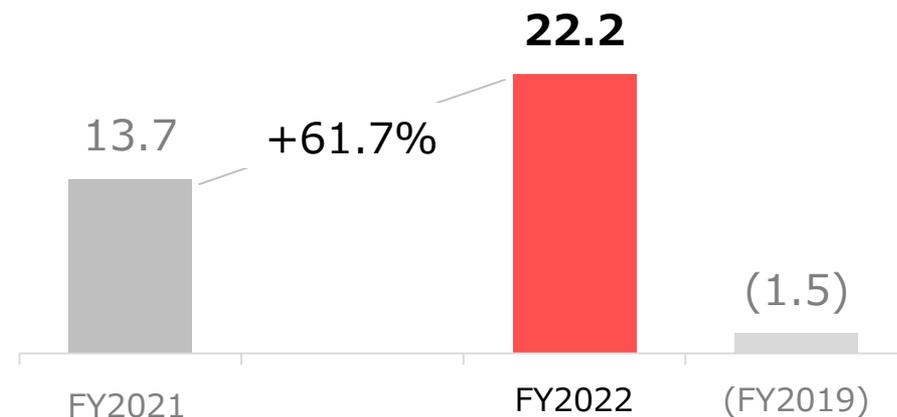
※ Nonconsolidated figures are shown.

* Variance cannot be calculated because the FY2021 result was a profit and the FY2022 result was negative.

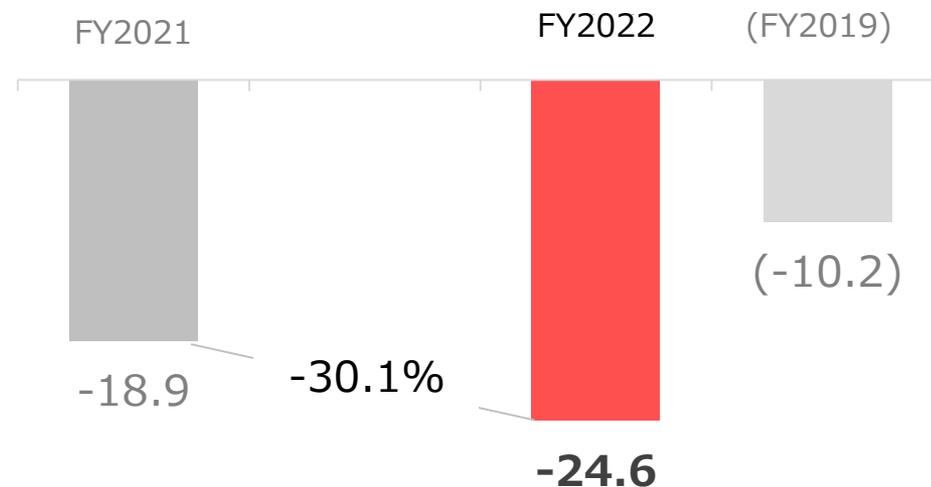
【Reference】 Hanasaku Life

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

Revenues from insurance and reinsurance (Billions of Yen)



Core operating profit

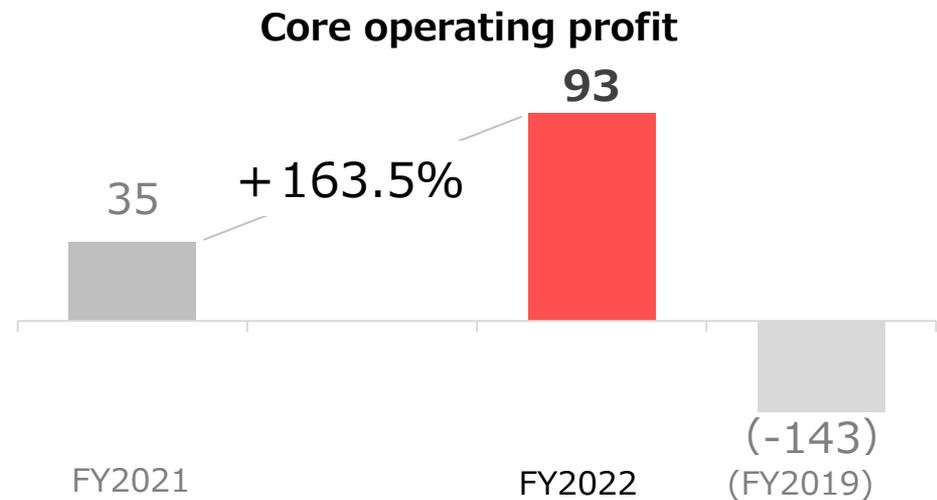
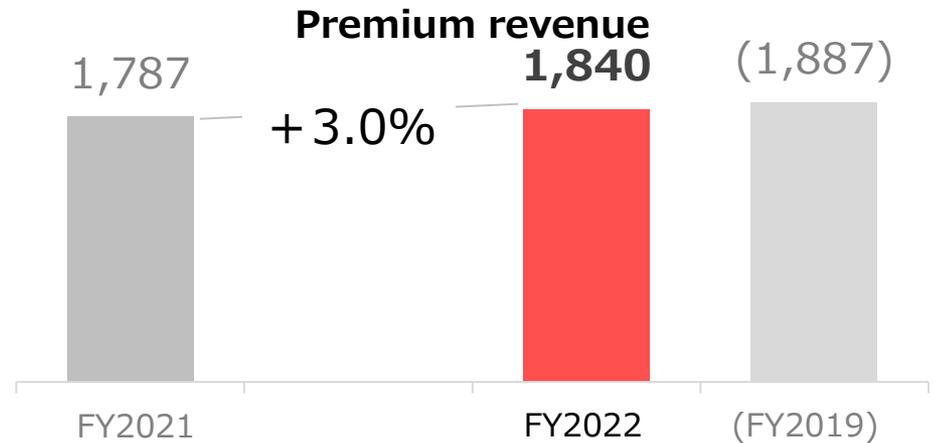


※ Nonconsolidated figures are shown.

【Reference】 MLC

- MLC's premium revenue and profit increased compared to FY2021.
- Premium revenue increased mainly due to an increase in the retail and group.
- Core operating profit increased mainly due to an improvement in group insurance profitability.

(Millions of Australian Dollars)



※ Nonconsolidated figures are shown.

※ Full-year performance reflects consolidated results for January to December.