

Overview of Financial Results for the Nine Months Ended December 31, 2023

February 16, 2024
Nippon Life Insurance Company

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2 Domestic life insurance business

【Reference】 Status of each Group company

① Highlights

GROUP

Revenues from insurance and reinsurance


¥6,433.1 billion
 (Comprises insurance premiums of ¥5,428.5 billion
 and reinsurance revenue of ¥1,004.5 billion)
 (+39.5% YoY)

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

Core operating profit


¥482.1 billion
 (+64.9% YoY)

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

Annualized new premium


¥392.1 billion
 (+35.7% YoY)

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

Annualized premium in force


¥4,711.2 billion
 (vs end March-23 +2.5%)

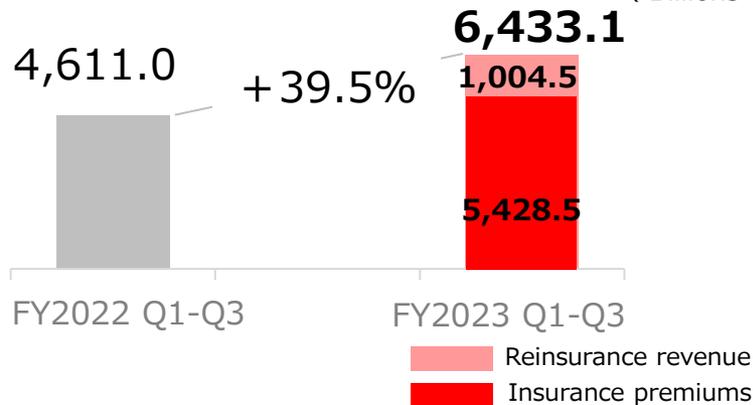
- Increased compared to the end of FY2022 mainly due to an increase of Nippon Wealth Life.

Domestic life insurance
Individual insurance/ annuities

② Revenues from insurance and reinsurance/Core operating profit

Revenues from insurance
and reinsurance

(Billions of Yen)

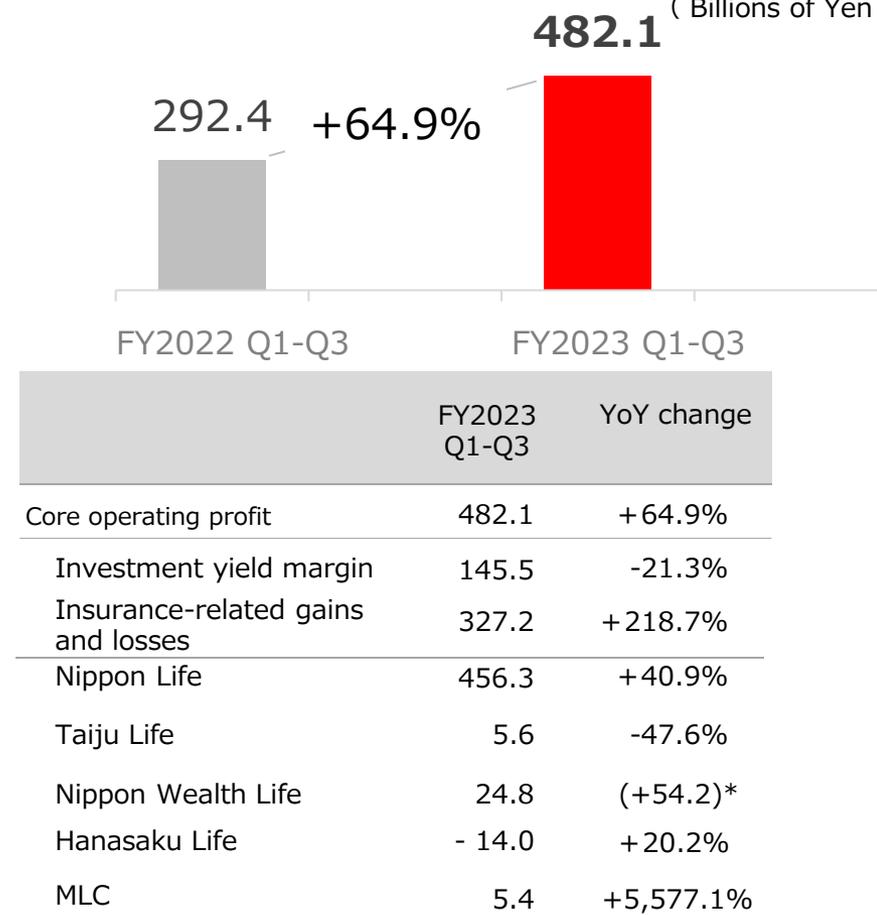


	FY2023 Q1-Q3	YoY change
Revenues from insurance and reinsurance	6,433.1	+39.5%
Insurance premiums	5,428.5	+23.8%
Reinsurance revenue	1,004.5	+345.5%
Nippon Life	3,857.7	+15.9%
Taiju Life	727.8	+7.8%
Nippon Wealth Life	1,623.6	+296.1%
Hanasaku Life	26.9	+70.7%
MLC	163.2	+6.2%

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

Core operating profit

(Billions of Yen)



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

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

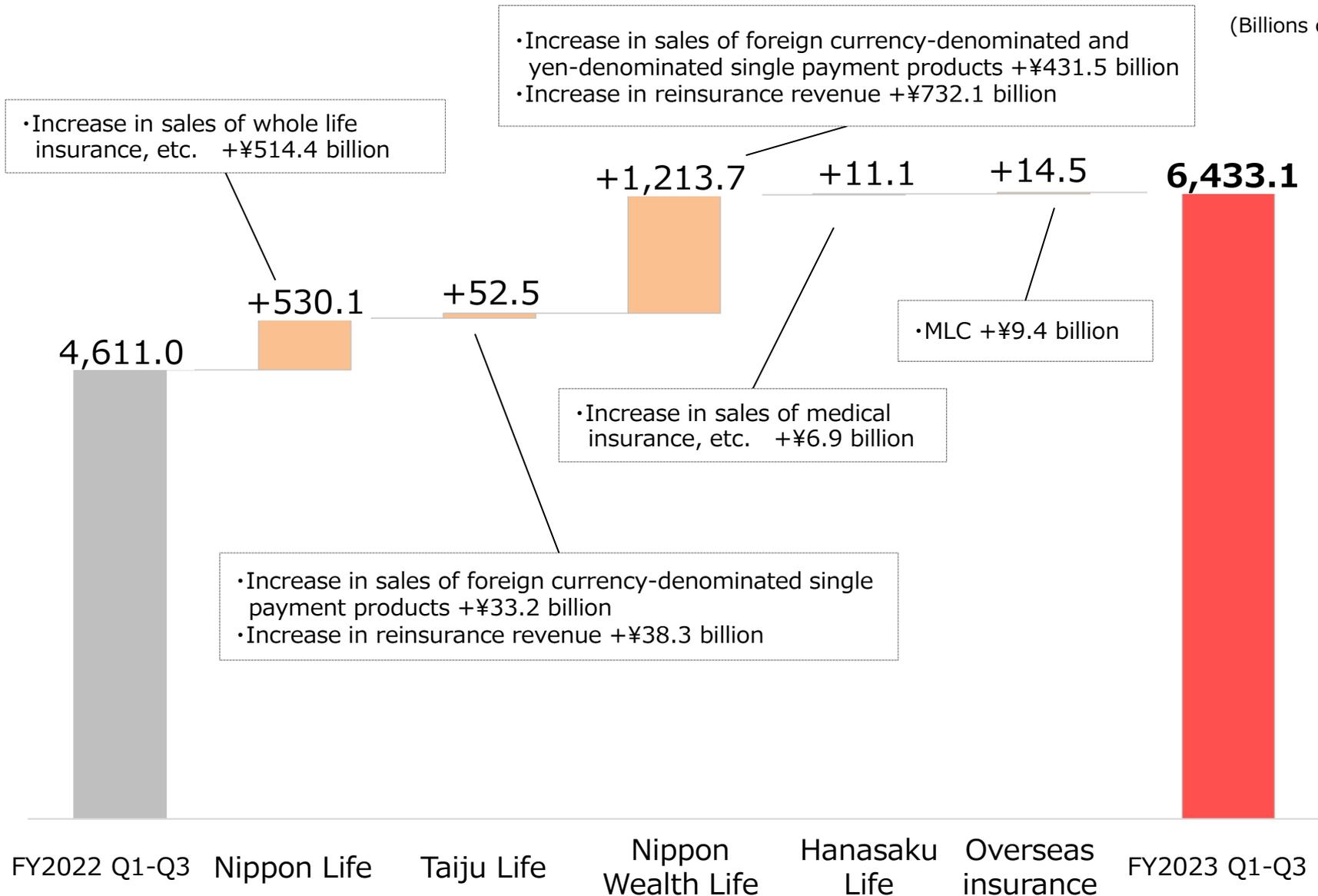
※ Figures for subsidiaries are calculated based on the stock ownership ratio during each fiscal year.

※ Figures for both FY2023 Q1-Q3 and FY2022 Q1-Q3 for MLC are under the new accounting standard.

* Increase rates cannot be calculated because the figures of FY2023 Q1-Q3 were positive, whereas those of FY2022 Q1-Q3 were negative.

③ Revenues from insurance and reinsurance

(Billions of yen)

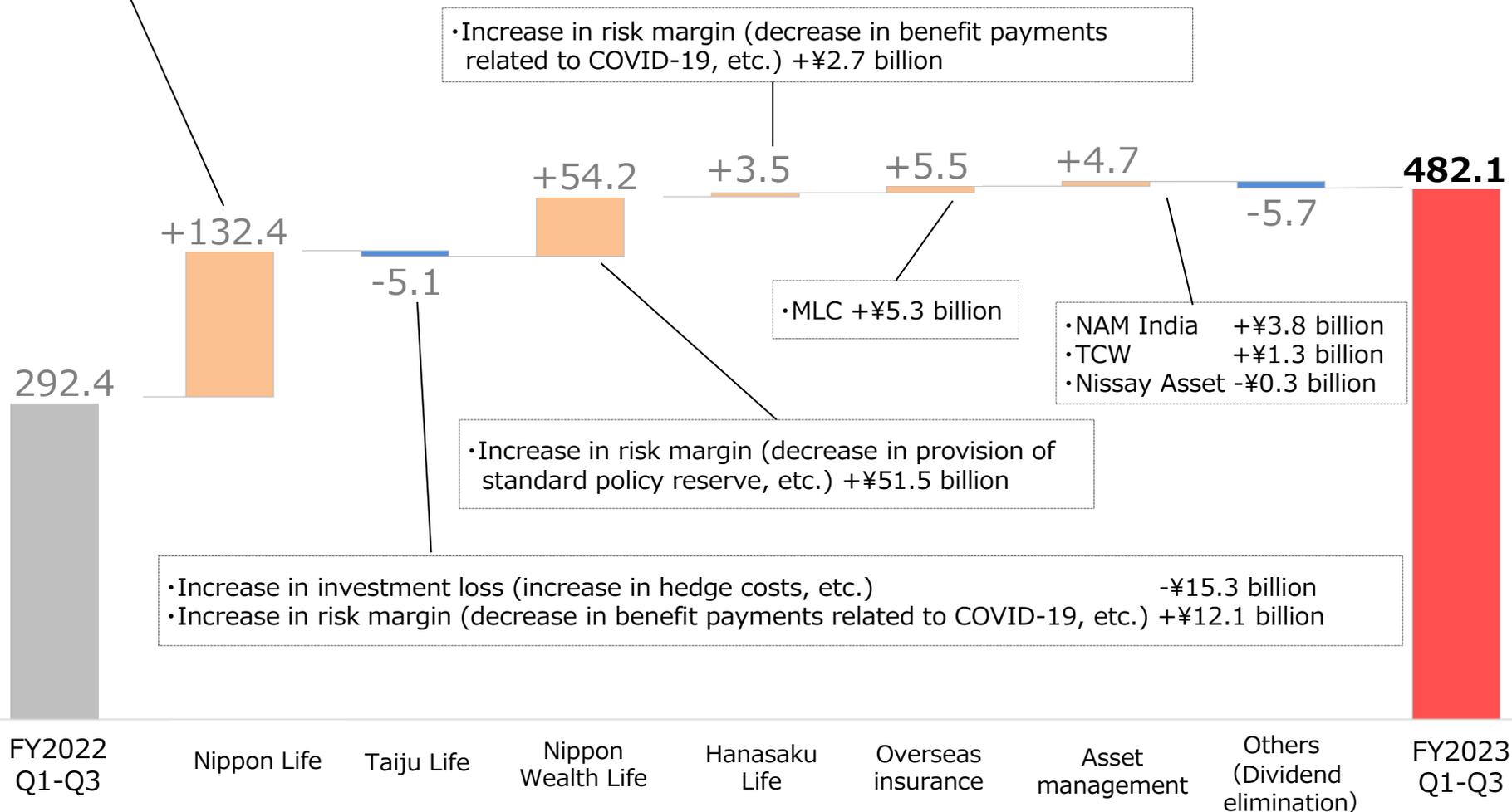


※ Total figures are consolidated revenues from insurance and reinsurance of Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life, Nissay Plus SSI, MLC, and Nippon Life Insurance Company of America.

④ Core operating profit

- Increase in risk margin (decrease in benefit payments related to COVID-19, etc.) +¥158.3 billion
- Decrease in investment yield margin (increase in hedge costs, etc.) -¥22.6 billion

(Billions of yen)



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

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

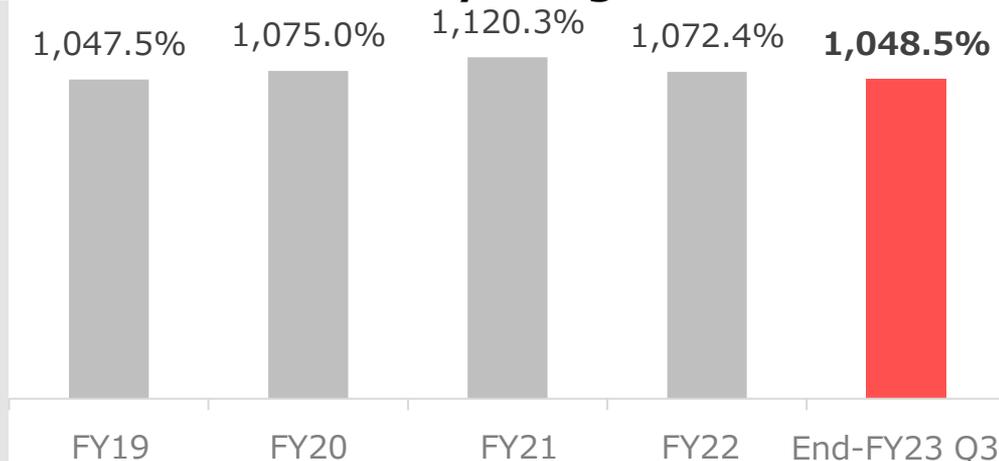
※ Figures of both FY2023 Q1-Q3 and FY2022 Q1-Q3 for MLC are under the new accounting standard.

5 Soundness

- Solvency margin ratio declined compared to the end of FY2022 due to a rise in interest rates.
- Real net assets increased compared to the end of FY2022 due to a rise in domestic stock prices.
- Economic Solvency Ratio (ESR*), which is the solvency ratio based on economic value, was approximately 242% (estimate) as of the end of December 2023.

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

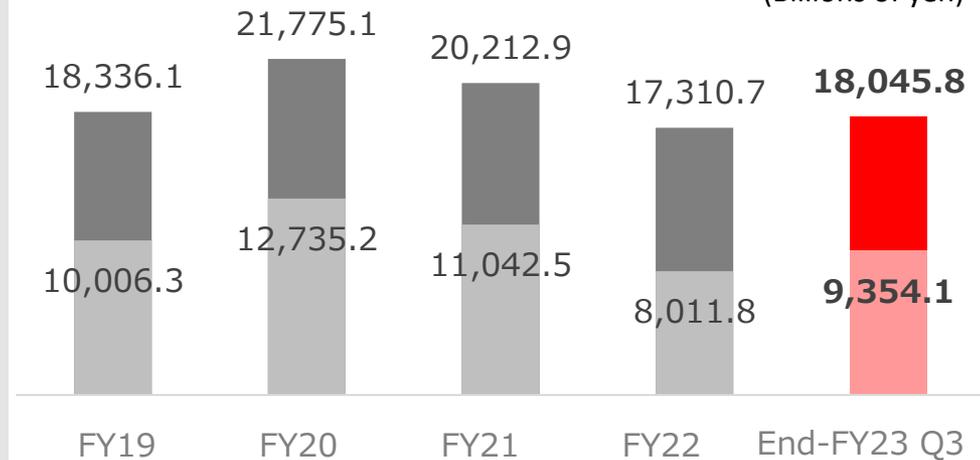
Solvency margin ratio



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

Real net asset

(Billions of yen)



Legend: Grey = Real net asset; Red = Unrealized gains/losses on securities

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

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

⑥ Statements of income/Balance sheet

Statements of income

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

(Billions of Yen)

	FY2023 Q1-Q3	YoY change
Ordinary income	8,703.8	+23.8%
Revenue from insurance and reinsurance	6,433.1	+39.5%
Investment income	2,083.6	-7.1%
Ordinary expenses	8,412.3	+21.1%
Benefits and other payments	4,803.4	+18.3%
Investment expenses	776.1	-29.6%
Operating expenses	591.3	+4.6%
Ordinary profit	291.4	+247.2%
Extraordinary gains and losses	-50.6	-1,535.3%
Net surplus (income)	191.5	+152.3%

Balance sheet

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

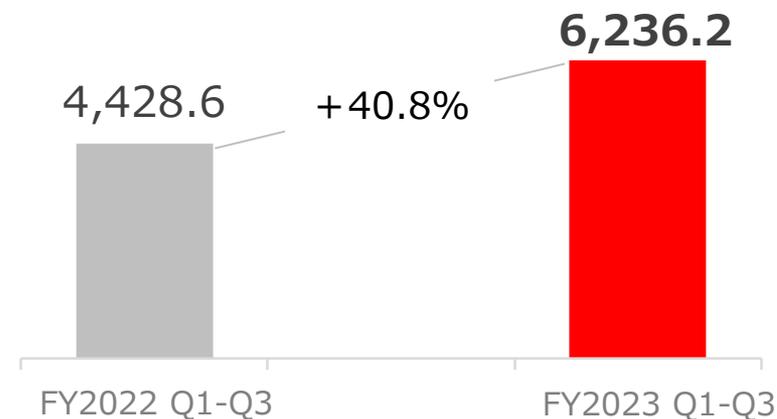
(Billions of Yen)

	As of end Dec-23	vs end Mar-23
Assets	93,546.8	+6.8%
Investments in securities	77,623.1	+7.3%
Loans	8,877.0	+2.8%
Tangible fixed assets	1,876.0	+0.9%
Liabilities	85,210.1	+5.6%
Policy reserves and other reserves	73,546.2	+2.9%
Policy reserves	72,111.9	+2.8%
Reserve for price fluctuations	1,726.5	+2.5%
Net assets	8,336.6	+20.0%

① Revenues from insurance and reinsurance

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

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



	FY2023 Q1-Q3	YoY change
Revenue from insurance and reinsurance (domestic total)	6,236.2	+40.8%
Individual insurance and individual annuities	4,234.5	+34.3%
Sales representative channel	2,513.2	+20.9%
Agency channel	465.2	+17.4%
Financial institution over-the-counter distribution channel	1,255.9	+85.2%
Group insurance	212.9	+1.9%
Group annuities	778.9	-6.1%

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

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

② New policies

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

Individual insurance/annuities

(Billions of Yen, Millions of policies)

Annualized premium* Number of policies Amount of coverage, etc.

	FY2023 Q1-Q3	YoY change	FY2023 Q1-Q3	YoY change	FY2023 Q1-Q3	YoY change
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Domestic total	392.1	+35.7%	3.04	-13.1%	6,350.4	+6.5%
Sales representative channel	141.8	+13.9%	2.65	-17.4%	3,336.4	-9.6%
Agency channel	59.8	+10.5%	0.21	+16.5%	1,600.0	+9.6%
Financial institution over-the-counter distribution channel	189.7	+72.5%	0.15	+59.6%	1,388.4	+73.7%
Nippon Life	186.6	+13.0%	2.67	-16.8%	3,777.8	-8.7%
Taiju Life	31.7	+18.8%	0.12	+10.7%	656.3	+11.3%
Nippon Wealth Life	164.8	+84.1%	0.09	+78.7%	1,081.4	+93.6%
Hanasaku Life	8.8	+16.7%	0.14	+23.2%	834.7	+23.6%

*Annualized new premium, including overseas, is approximately ¥398.0 billion (estimate).

③ Policies in force

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

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premium*		Number of policies		Amount of coverage, etc.	
	As of end Dec-23	vs end Mar-23	As of end Dec-23	vs end Mar-23	As of end Dec-23	vs end Mar-23
Domestic total	4,711.2	+2.5%	38.44	+0.2%	169,270.8	-1.2%
Nippon Life	3,738.9	-0.1%	34.89	-0.3%	145,635.7	-2.4%
Taiju Life	515.6	+1.8%	2.53	-0.7%	16,232.0	-1.9%
Nippon Wealth Life	425.2	+32.2%	0.50	+20.5%	4,988.9	+26.1%
Hanasaku Life	31.3	+28.6%	0.51	+30.8%	2,414.1	+42.4%

* Annualized premium in force, including overseas, is approximately ¥4.94 trillion (estimate).

Group insurance/annuities

	Group insurance (Amount of coverage, etc.)		Group annuities (AUM, etc.)	
	As of end Dec-23	vs end Mar-23	As of end Dec-23	vs end Mar-23
Domestic total	108,345.8	-0.2%	19,537.5	+4.9%
Nippon Life	97,427.0	-0.1%	14,022.2	-0.5%
Taiju Life	10,918.7	-1.3%	590.3	-10.8%

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

※ The domestic total for group annuities includes the investment advisory balance of Nissay Asset Management (¥3,980.1 billion) and 10 investment trusts in defined contribution pension plans (¥943.5 billion for Nippon Life's sales representative).

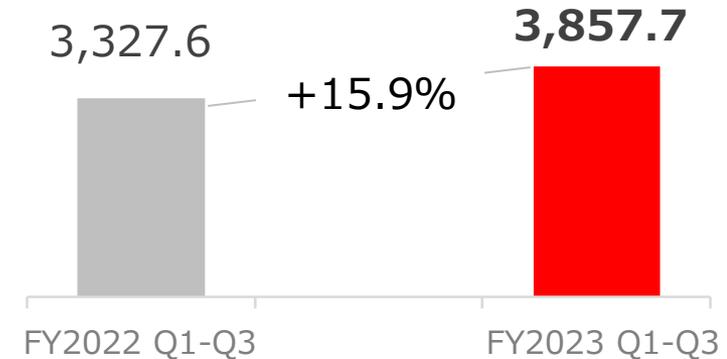
**【Reference】
Status of each
Group company**

[Reference] Nippon Life (nonconsolidated): Revenue and Profit

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

Revenues from insurance and reinsurance

(Billions of Yen)



Core operating profit



	FY2023 Q1-Q3	YoY change
Core operating profit	456.3	+40.9%
Investment yield margin	149.9	-13.1%
Expense margin	30.8	-9.8%
Risk margin	275.5	+135.1%

[Reference] Nippon Life (nonconsolidated): Asset management

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

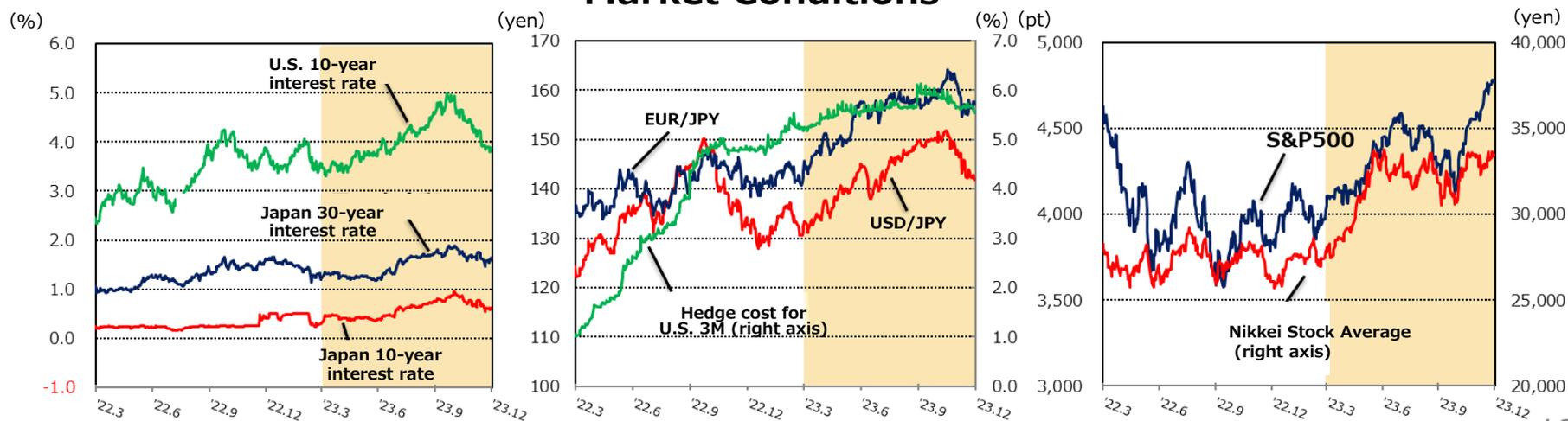
Net investment income (General account)

(Billions of Yen)

	FY2023 Q1-Q3	YoY Change
Investment income	1,479.6	-465.8
Interest, dividends, and other income	1,138.1	+17.2
Gain on sales of securities	251.3	-535.7
Foreign exchange gains	85.7	+49.0
Investment expenses	596.7	-275.3
Loss on sale of securities	268.7	-392.9
Loss on valuation of securities	4.7	-11.6
Loss on derivative financial instruments, net	230.6	+128.1
Net investment income	882.9	-190.5

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

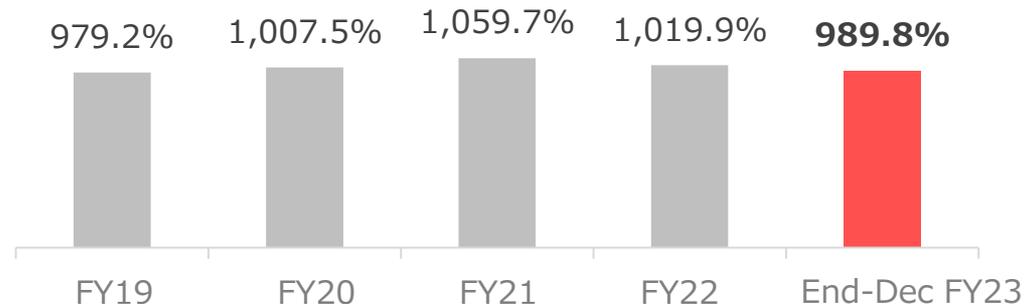
Market Conditions



【Reference】 Nippon Life (nonconsolidated): Soundness

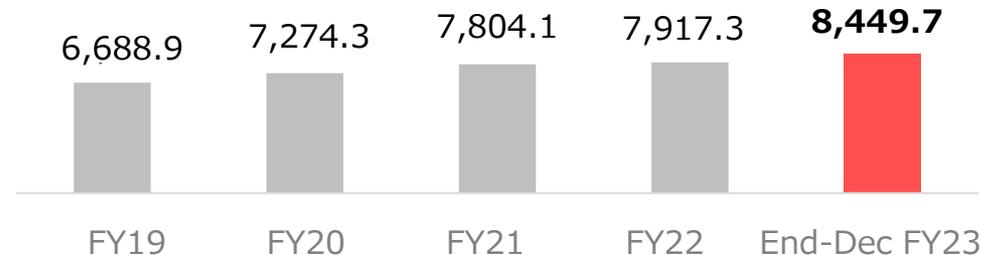
- Solvency margin ratio declined compared to the end of FY2022 due to a rise in interest rates.
- Unrealized gains on securities increased compared to the end of March 2023 due to a rise in domestic stock prices.

Solvency Margin Ratio



Capital

(Billions of Yen)



Unrealized gains/losses on securities

(Billions of Yen)

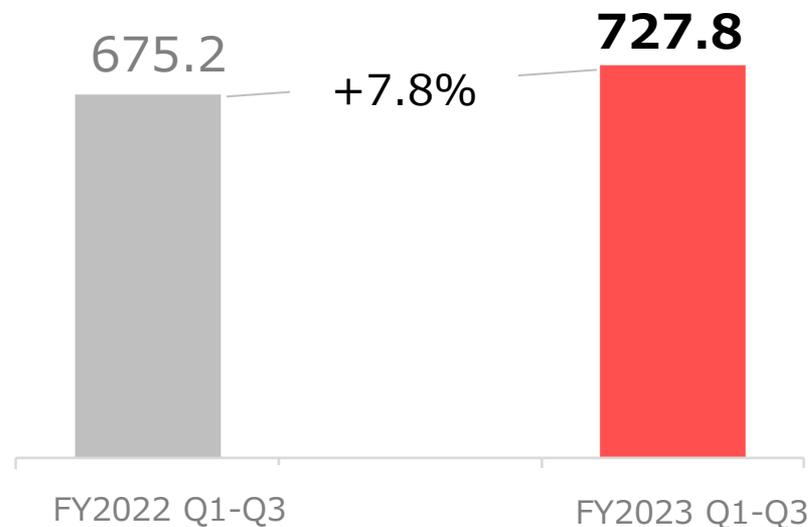
	As of Dec-2023	vs end Mar-23
Investments in securities	9,409.9	+1,334.5
Domestic bonds	-650.0	-1,401.3
Domestic stocks	7,311.3	+1,695.8
Foreign securities	2,743.1	+1,017.7
Others	5.4	+22.2

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

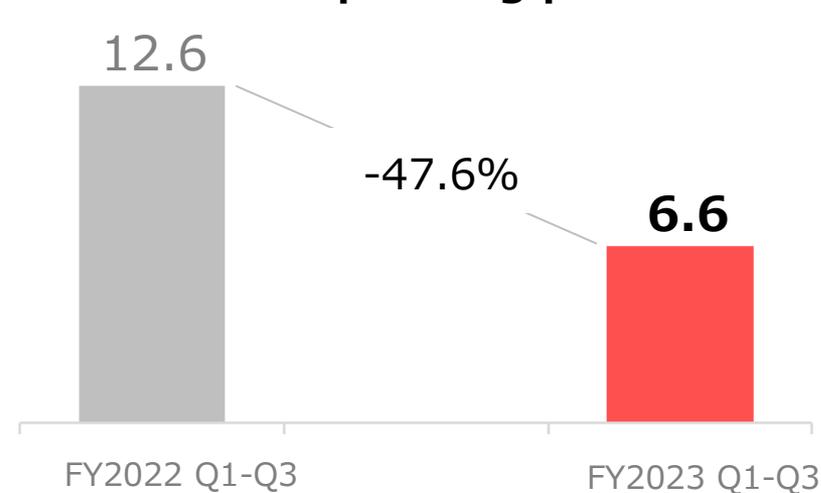
【Reference】 Taiju Life

- Revenue increased and profit decreased year on year.
- 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 mainly due to an increase in the investment loss caused by an increase in hedge costs, while there was an increase in the risk margin through a decrease in benefit payments related to COVID-19.

Revenues from insurance and reinsurance (Billions of Yen)



Core operating profit



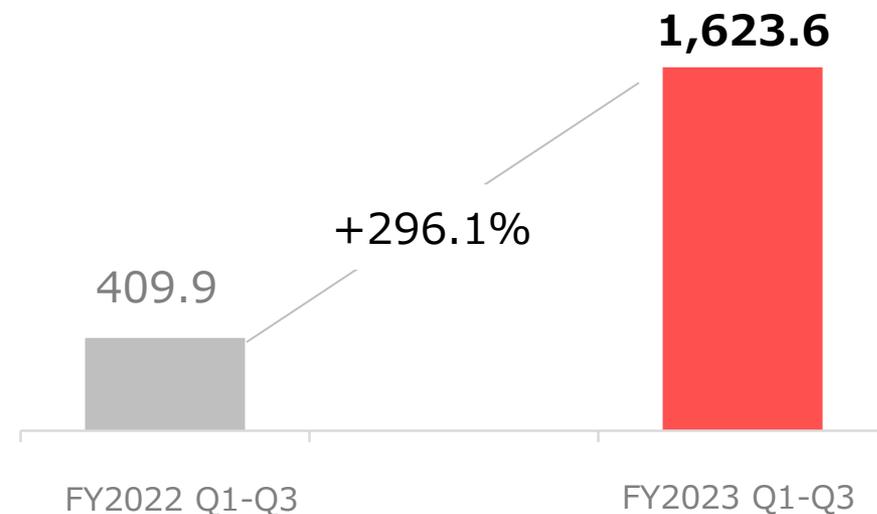
※ Nonconsolidated figures are shown.

[Reference] Nippon Wealth Life

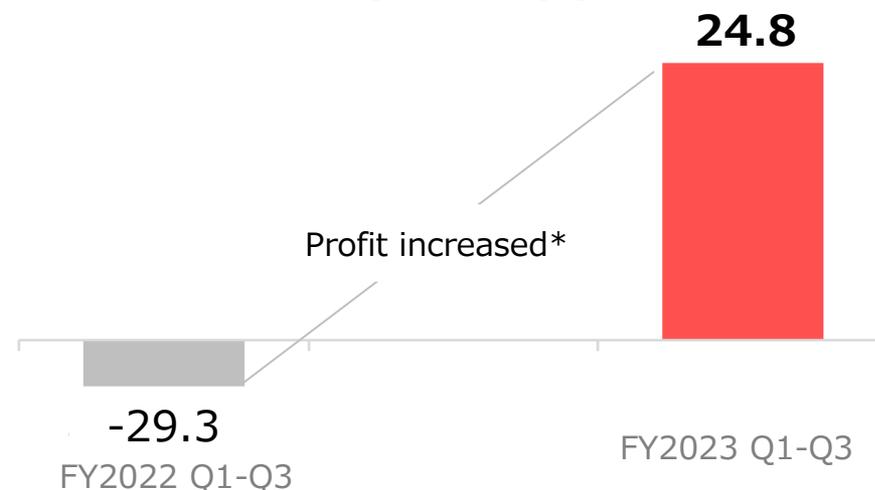
- Revenue and profit increased year on year.
- Revenues from insurance and reinsurance increased mainly due to increases in sales of foreign currency-denominated and yen-denominated single payment products and reinsurance revenue.
- Core operating profit increased due to an increase in the risk margin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

Revenues from insurance and reinsurance

(Billions of Yen)



Core operating profit



※ Nonconsolidated figures are shown.

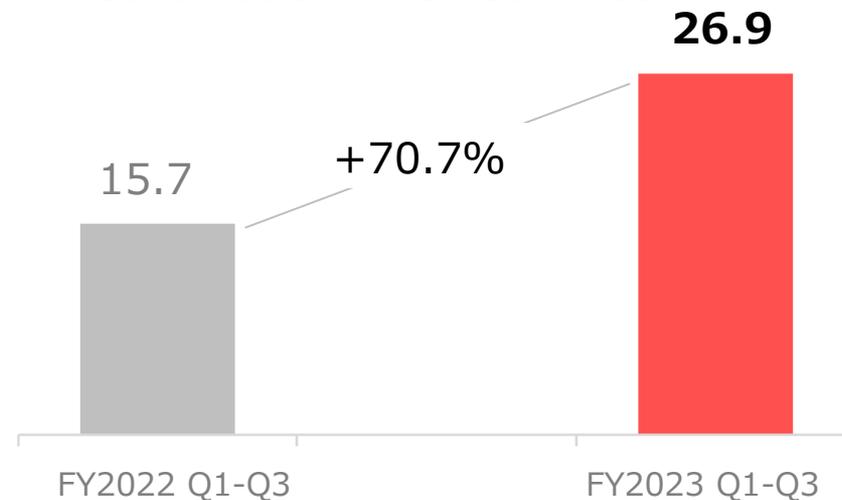
* Variance cannot be calculated because the figures of FY2023 Q1-Q3 were positive, whereas those of FY2022 Q1-Q3 were negative.

【Reference】 Hanasaku Life

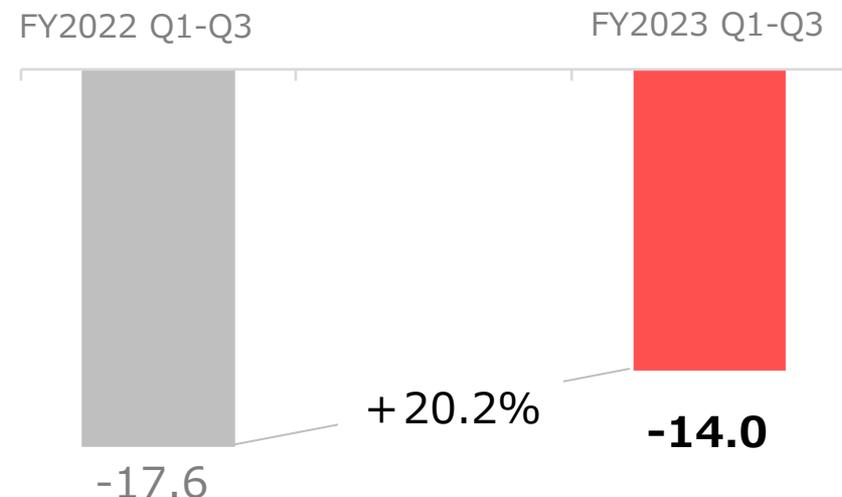
- Revenue and profit increased year on year.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of medical insurance, etc.
- Core operating profit increased mainly due to an increase in the risk margin through a decrease in benefit payments related to COVID-19, while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

Revenues from insurance and reinsurance

(Billions of Yen)



Core operating profit

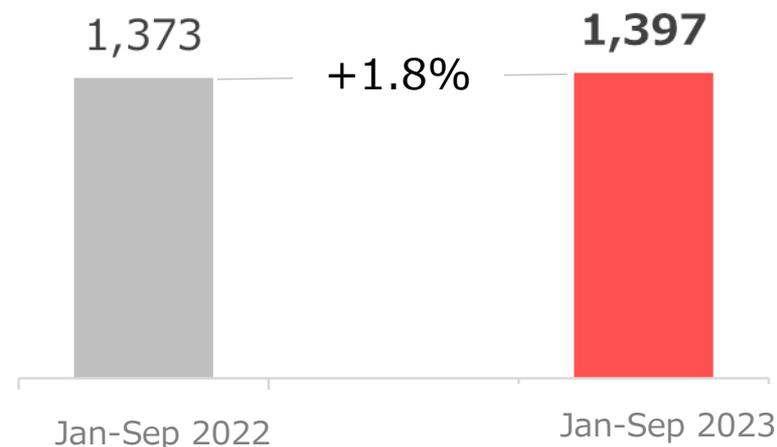


※ Nonconsolidated figures are shown.

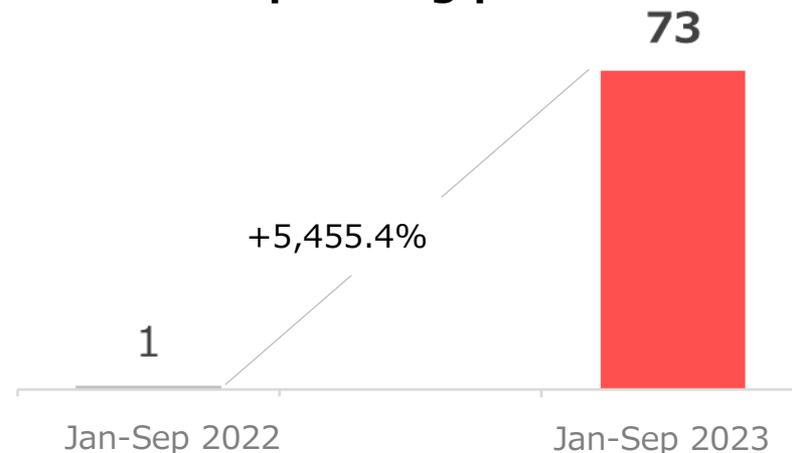
【Reference】 MLC

- Premium revenue and core operating profit increased compared to Jan-Sep 2022.
- Premium revenue increased mainly due to a rise in premium.
- Core operating profit increased due to an improvement in group insurance profitability, etc.

Premium revenue (Millions of Australian Dollars)



Core Operating profit



- ※ Nonconsolidated figures are shown.
- ※ Q3 performance reflects consolidated results for January to September.
- ※ Premium revenue is shown based on an earned basis Japanese accounting standards (the former accounting standard).