

Overview of Financial Results for the Nine Months Ended December 31, 2024

February 18, 2025
Nippon Life Insurance Company

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Group overview

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**Domestic life
insurance business**

**Reference: Status of each
Group company**

① Highlights

Group

Insurance and service revenue*


¥6,252.6 billion
(This includes ¥5,881.6 billion in revenues
from insurance and reinsurance)[-5.6% YoY]

- Decreased due to a decrease in sales through Nippon Life's financial institution over-the-counter distribution channel and decreases in sales at Taiju Life and Nippon Wealth Life.

Core operating profit


¥689.7 billion
[+43.0% YoY]

- Increased mainly due to an increase in interest, dividends, and other income at Nippon Life and Nippon Wealth Life.

Domestic life insurance
Individual insurance/annuities

Annualized new premium


¥368.8 billion
[-5.9% YoY]

- Decreased due to decreases in Nippon Life's agency and financial institution over-the-counter distribution channel, and decreases at Taiju Life and Nippon Wealth Life.

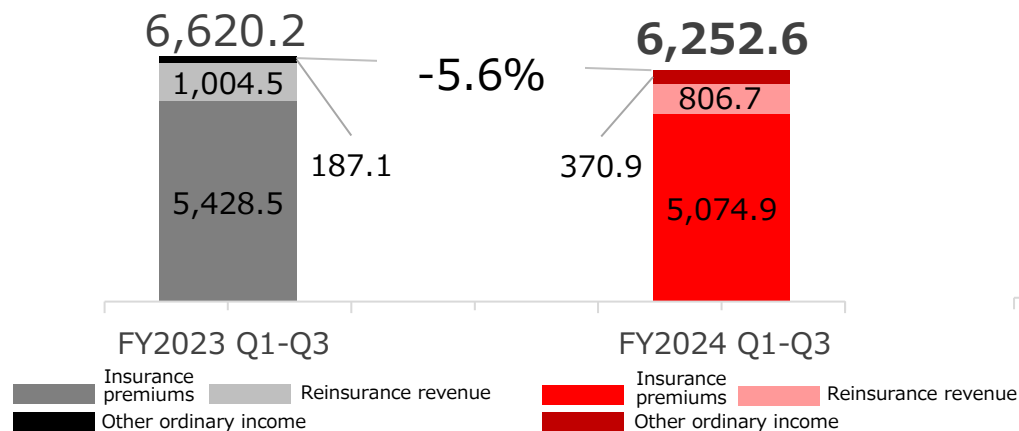
Annualized premium in force


¥4,828.4 billion
[vs end-FY2023 +1.5%]

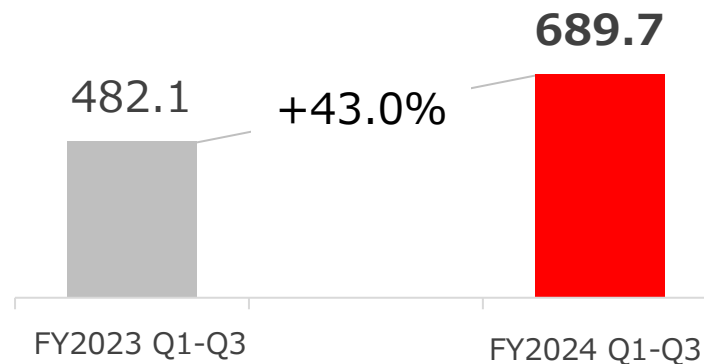
- Increased mainly due to an increase at Nippon Wealth Life.

② Insurance and service revenue / Core operating profit

Insurance and service revenue (Billions of Yen)



Core operating profit (Billions of Yen)



	FY2024 Q1-Q3	YoY change
Insurance and service revenue	6,252.6	-5.6%
Revenues from insurance and reinsurance	5,881.6	-8.6%
Insurance premiums	5,074.9	-6.5%
Reinsurance revenue	806.7	-19.7%
Nippon Life	3,579.3	-7.2%
Taiju Life	614.8	-15.5%
Nippon Wealth Life	1,426.6	-12.1%
Hanasaku Life	47.0	+74.6%
MLC	175.2	+7.4%
Other ordinary income	370.9	+98.2%
Nichii Holdings	153.0	—

	FY2024 Q1-Q3	YoY change
Core operating profit	689.7	+43.0%
Investment yield margin	330.0	+126.8%
Net insurance-related gains	332.1	+1.5%
Nippon Life	614.2	+34.6%
Taiju Life	10.7	+91.6%
Nippon Wealth Life	45.7	+84.1%
Hanasaku Life	-8.6	+38.7%
MLC	2.6	-52.1%
Nichii Holdings	6.6	—

※ Total figures for insurance and service revenues are the sum of revenues from insurance and reinsurance and other ordinary income 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.

※ Figures for Nichii Holdings Co., Ltd. (hereinafter, Nichii Holdings) constitute results achieved subsequent to consolidation (from July 2024 onward).

※ 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 insurance subsidiaries and affiliates, as well as domestic and overseas asset management subsidiaries and affiliates, and Nichii Holdings, with adjustment based on the stock ownership ratio and some internal transactions. Also excludes interest rate fluctuations.

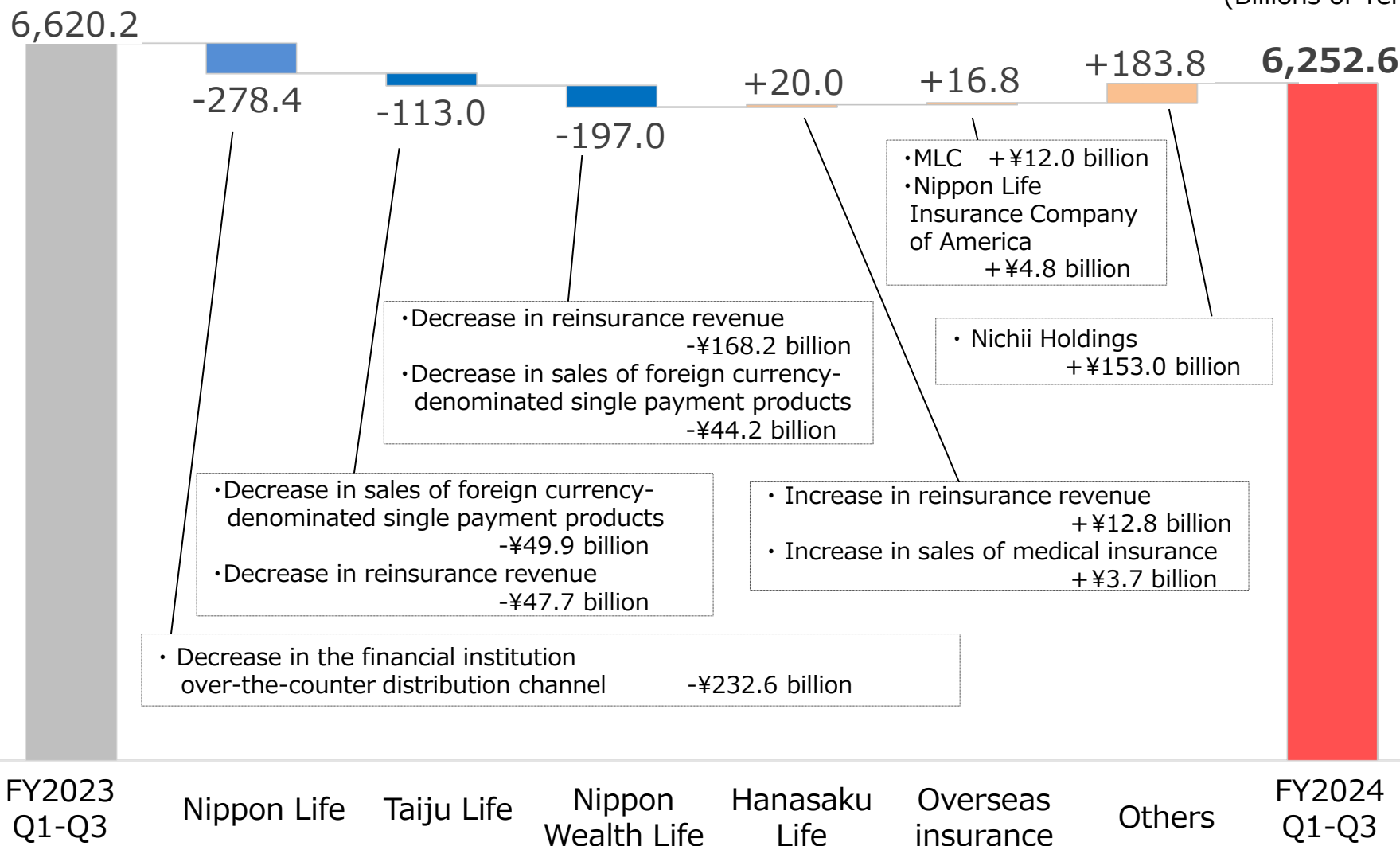
※ Investment yield margin and net insurance-related gains are based on total amount of domestic life insurance.

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

※ Figures for Nichii Holdings constitute results achieved subsequent to consolidation (from July 2024 onward).

③ Insurance and service revenue

(Billions of Yen)

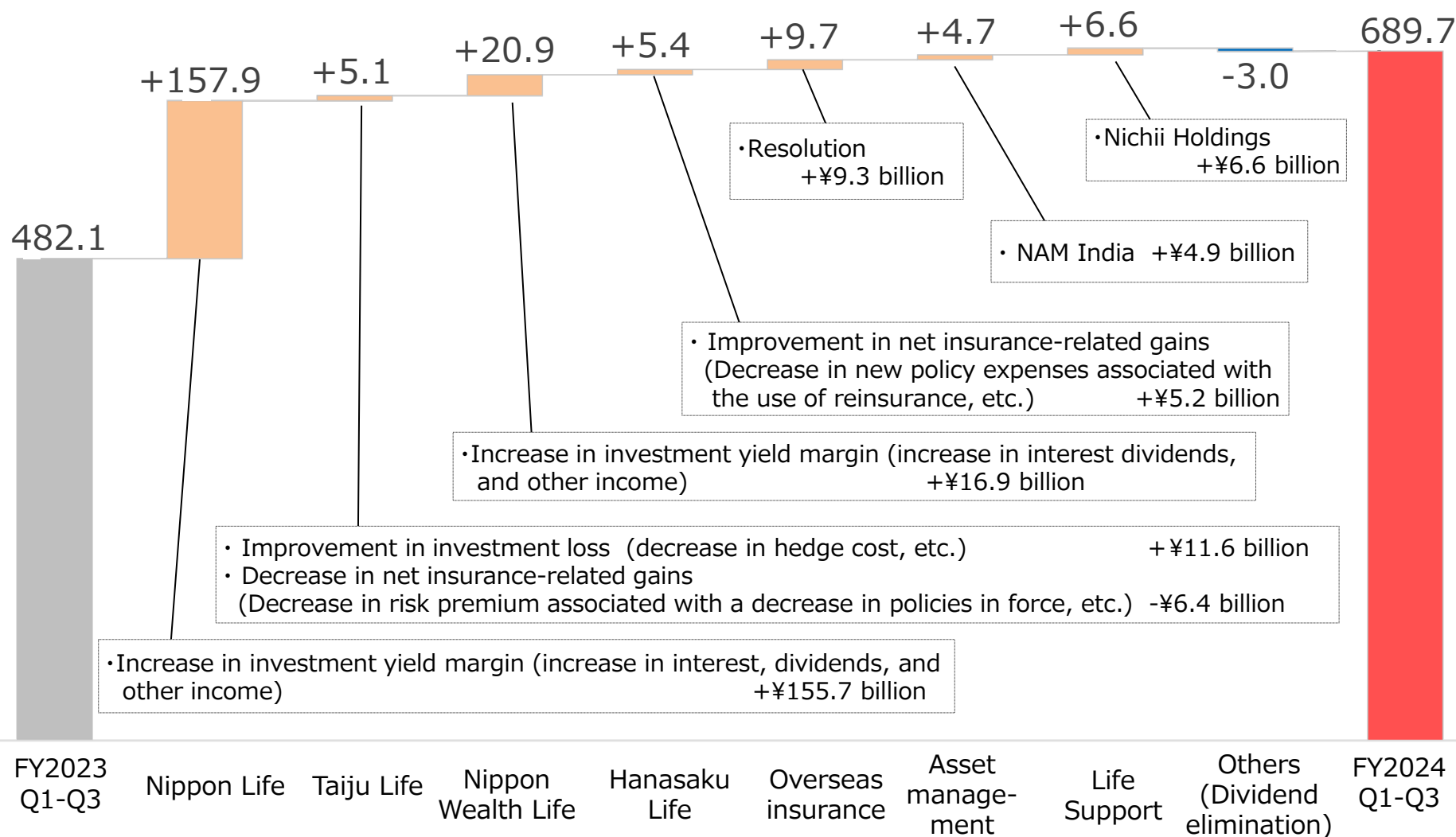


※ Total figures for insurance and service revenues are the sum of revenues from insurance and reinsurance and other ordinary income in the consolidated statement of income.

※ Figures for Nichii Holdings constitute results achieved subsequent to consolidation (from July 2024 onward).

④ 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, along with net income before taxes of overseas insurance subsidiaries and affiliates, domestic and overseas asset management subsidiaries and affiliates, and Nichii Holdings, with adjustment based on the stock ownership ratio and some internal transactions. Also excludes interest rate fluctuations.

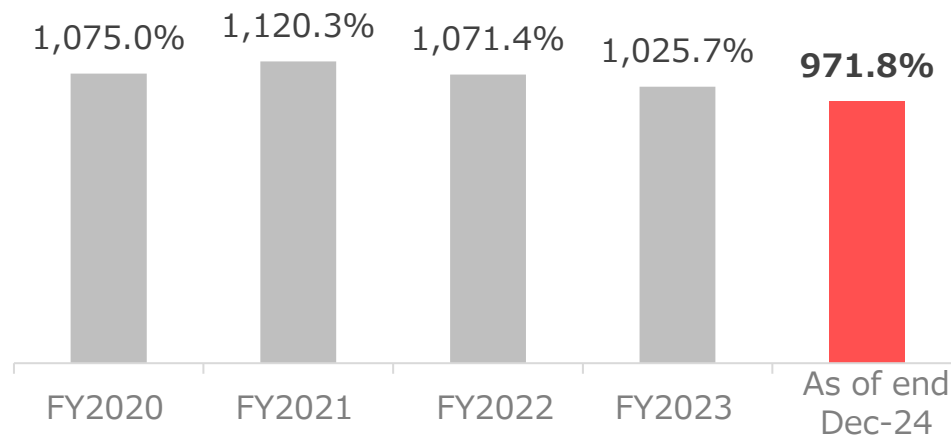
※ [Company names] NAM India: Nippon Life India Asset Management Limited, Resolution: Resolution Life Holdings Ltd.

※ Figures for Nichii Holdings constitute results achieved subsequent to consolidation (from July 2024 onward).

⑤ Soundness

- Solvency margin ratio declined compared to the end of FY2023 due to factors such as the investment in Corebridge.
- Real net assets decreased compared to the end of FY2023 due to a decrease in unrealized gains on securities, among other factors.

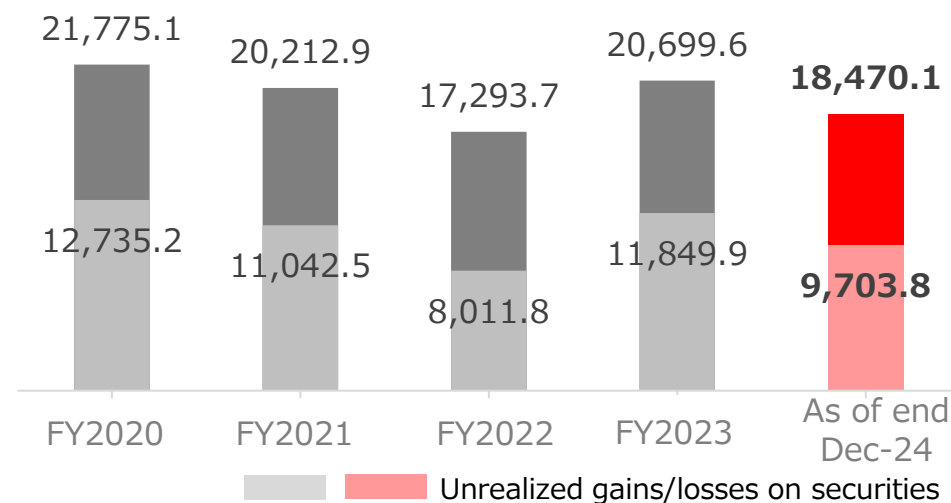
Solvency margin ratio



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

(Billions of yen)

Real net assets



※ 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.

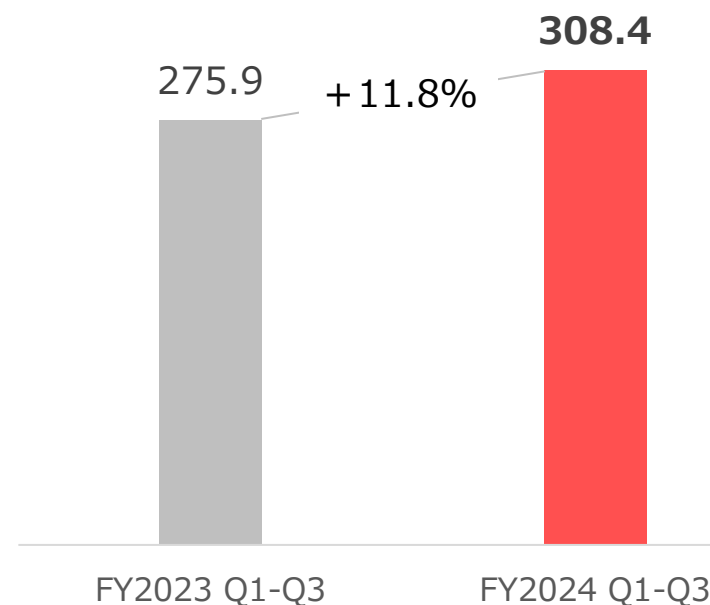
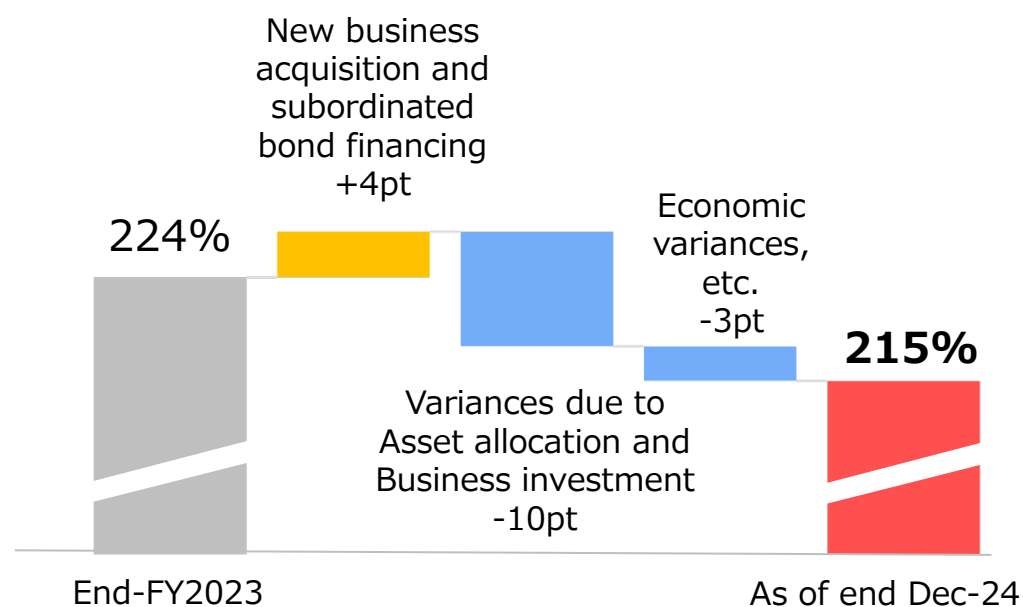
⑥ ESR / Value of new business

- Economic value-based solvency ratio (ESR) declined compared to the end of FY2023 due to the impact of business investment and other factors, while there was an increase due to new business acquisitions.
- Value of new business increased year on year due to the impact of rising interest rates and an increase at Nippon Wealth Life.

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

¥18.8 trillion

¥8.7 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-Q3	YoY change
Ordinary income	8,438.2	-3.1%
Revenues from insurance and reinsurance	5,881.6	-8.6%
Investment income	2,185.5	+4.9%
Ordinary expenses	7,963.1	-5.3%
Benefits and other payments	5,042.4	+5.0%
Investment expenses	704.3	-9.2%
Operating expenses	760.1	+28.5%
Ordinary profit	475.0	+63.0%
Extraordinary gains and losses	-141.9	-180.5%
Net surplus (income)	274.1	+43.1%

※ Net surplus (income) represents the amount of net surplus attributable to the parent company.

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)

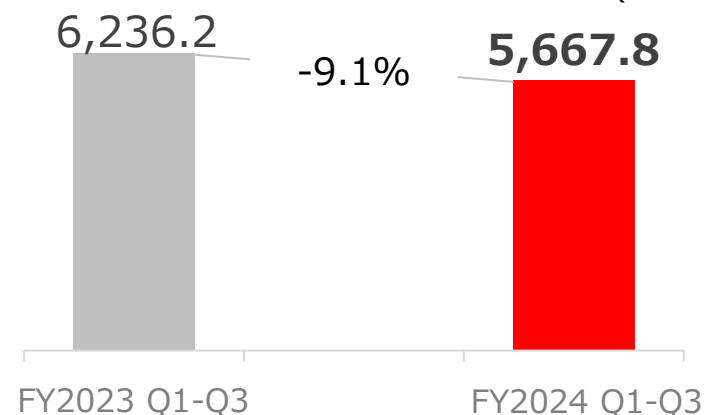
	As of end Dec-24	vs end- FY2023
Total assets	98,843.1	+1.3%
Investments in securities	82,720.3	+1.3%
Loans	8,884.8	-0.3%
Tangible fixed assets	1,971.3	+3.9%
Total liabilities	89,059.9	+2.3%
Policy reserves and other reserves	75,498.4	+1.7%
Policy reserves	74,022.0	+1.6%
Reserve for price fluctuations	1,866.9	+7.7%
Net assets	9,783.2	-7.2%

① Revenues from insurance and reinsurance

- Revenues from insurance and reinsurance decreased mainly due to a decrease in financial institution over-the-counter distribution channel resulting from lower sales of single payment products.

Revenues from insurance and reinsurance (domestic total)

(Billions of Yen)



	FY2024 Q1-Q3	YoY change
Revenues from insurance and reinsurance (domestic total)	5,667.8	-9.1%
Individual insurance and individual annuities	3,940.6	-6.9%
Sales representative channel	2,500.6	-0.5%
Agency channel	445.8	-4.2%
Financial institution over-the-counter distribution channel	994.1	-20.8%
Group insurance	214.5	+0.8%
Group annuities	708.4	-9.1%

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

② New policies

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

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premiums		Number of policies	
	FY2024 Q1-Q3	YoY change	FY2024 Q1-Q3	YoY change
Domestic total	368.8	-5.9%	3.30	+ 8.6%
Primary coverage products*	52.5	-4.3%	2.75	+ 11.5%
Sales representative channel	147.6	+ 4.1%	2.94	+ 11.0%
Agency channel	54.3	-9.2%	0.20	-5.3%
Financial institution over-the-counter distribution channel	165.2	-12.9%	0.11	-26.6%
Nippon Life	174.8	-6.3%	2.93	+ 9.3%
Taiju Life	28.6	-9.9%	0.11	-9.2%
Nippon Wealth Life	155.9	-5.4%	0.09	+ 0.7%
Hanasaku Life	9.4	+ 6.3%	0.16	+ 14.4%

* 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 ¥375.9 billion.

③ Policies in force

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

Individual insurance/annuities

(Billions of Yen, Millions of policies)

	Annualized premiums		Number of policies	
	As of end Dec-24	vs end- FY2023	As of end Dec-24	vs end- FY2023
Domestic total	4,828.4	+1.5%	38.22	-0.5%
Primary coverage products*	1,301.3	-1.2%	24.93	-0.5%
Nippon Life	3,715.3	-0.7%	34.41	-1.2%
Taiju Life	515.8	-0.3%	2.50	-0.6%
Nippon Wealth Life	556.4	+19.7%	0.61	+15.9%
Hanasaku Life	40.8	+20.8%	0.69	+23.8%

* 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 ¥5,061.3 billion.

Group insurance/annuities

	Group insurance (Amount of coverage, etc.)		Group annuities (AUM, etc.)	
	As of end Dec-24	vs end- FY2023	As of end Dec-24	vs end- FY2023
Domestic total	108,144.5	+0.3%	20,370.6	+2.3%
Nippon Life	97,244.6	+0.4%	13,930.3	-0.5%
Taiju Life	10,899.9	-0.7%	582.0	-2.6%
Others	—	—	5,858.2	+10.0%

※ Others consist of Nippon Wealth Life (¥1.2 billion), investment advisory balance of Nissay Asset Management (¥4,642.0 billion) and investment trusts in defined contribution pension plans (¥1,214.9 billion for Nippon Life's distributors).

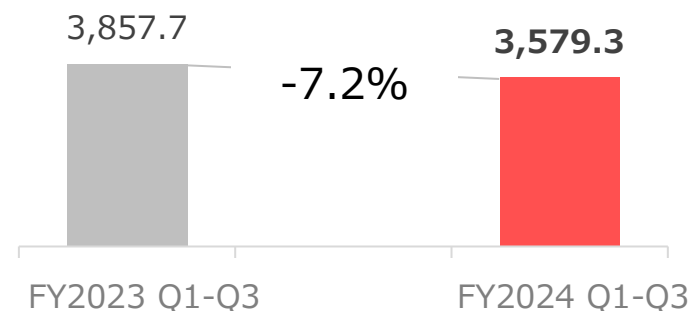
**Reference:
Status of each
Group company**

Nippon Life (nonconsolidated): Revenue and profit

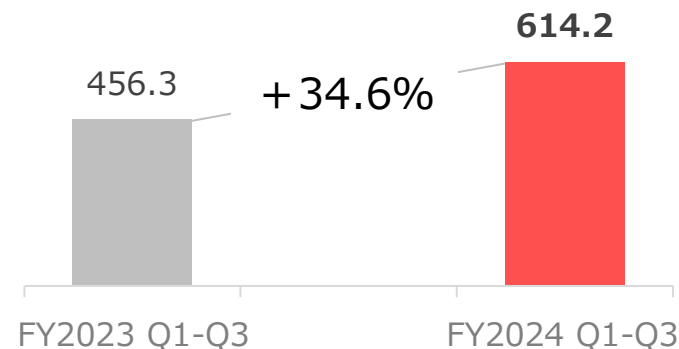
(Billions of Yen)

- Nippon Life's nonconsolidated core operating profit increased, while revenue decreased year on year.
- Revenues from insurance and reinsurance decreased, mainly due to a decrease in the financial institution over-the-counter distribution channel.
- Core operating profit increased, mainly due to an increase in interest, dividends, and other income.

Revenues from insurance and reinsurance



Core operating profit



	FY2024 Q1-Q3	YoY change
Core operating profit	614.2	+ 34.6%
Investment yield margin	305.7	+ 103.9%
Net insurance-related gains*	308.4	+ 0.7%

* Sum of the expense margin and risk margin.

Nippon Life (nonconsolidated): Asset management

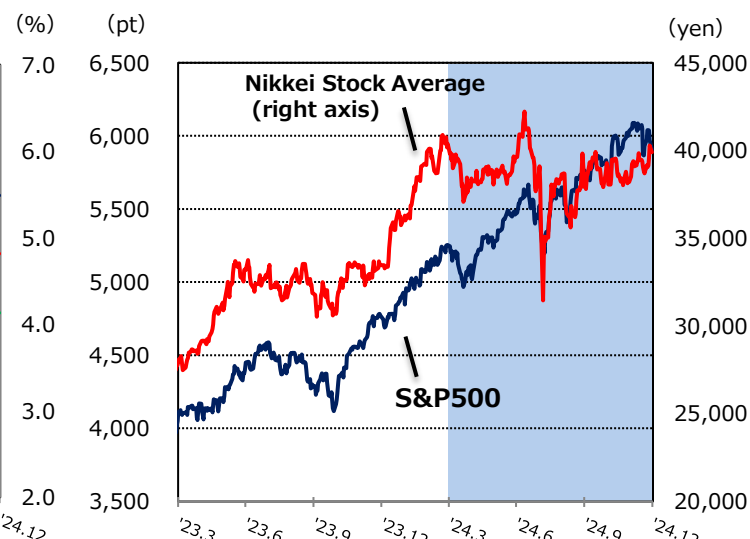
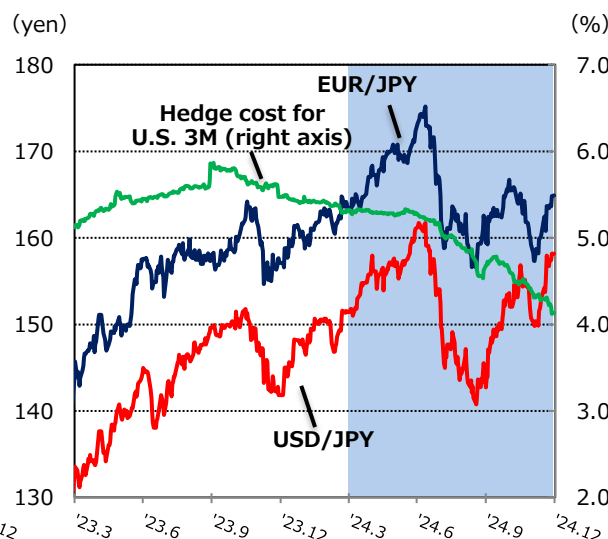
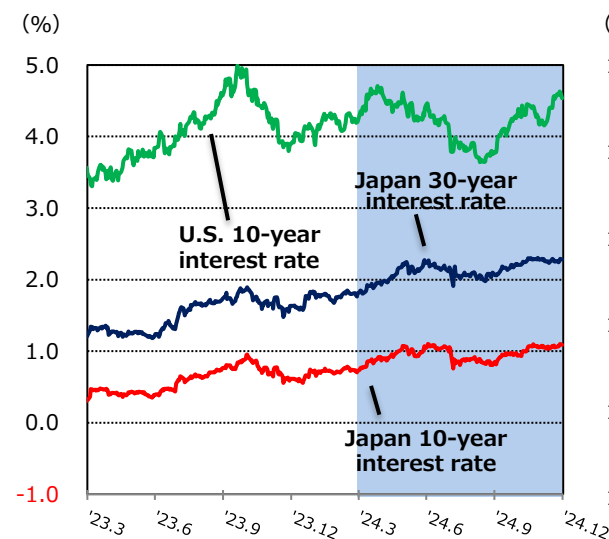
- Net investment income increased year on year.
- Investment income increased mainly due to increases in interest, dividends, and other income and gain on sale of securities.
- Investment expenses increased, mainly due to an increase in loss on sale of securities.

Net investment income (General account)

(Billions of Yen)

	FY2024 Q1-Q3	YoY change
Investment income	1,709.0	+229.4
Interest and dividends, etc.	1,293.7	+155.6
Gain on sale of securities	380.7	+129.3
Foreign exchange gains	33.1	-52.6
Investment expenses	612.5	+15.8
Loss on sale of securities	340.6	+71.9
Loss on valuation of securities	1.4	-3.3
Loss on derivative financial instruments, net	162.4	-68.2
Net investment income	1,096.4	+213.5

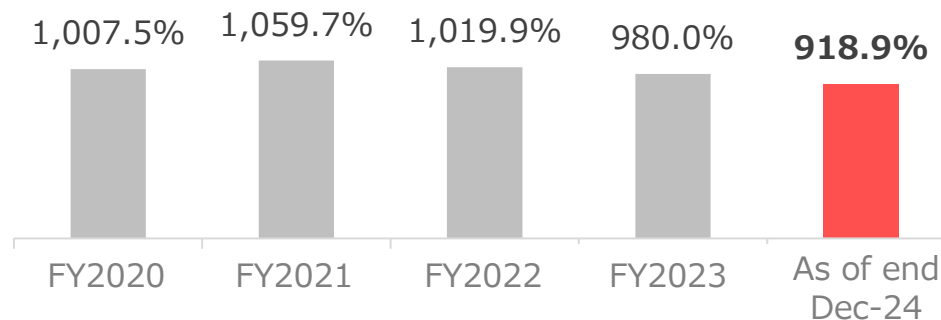
Market trend



Nippon Life (nonconsolidated): Soundness

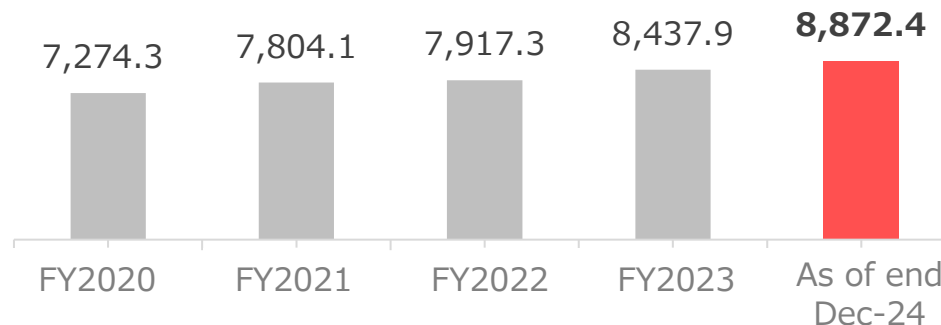
- Solvency margin ratio declined compared to the end of FY2023 due to factors such as heightened risk incurred by subsidiaries, etc.
- Unrealized gains on securities decreased compared to the end of FY2023 due to a decrease in domestic stock prices and an increase in domestic interest rates.

Solvency margin ratio



Equity

(Billions of Yen)



Unrealized gains/losses on securities

(Billions of Yen)

	As of end Dec-24	vs end- FY2023
Investments in securities	10,259.9	- 1,742.7
Domestic bonds	- 2,531.1	- 1,519.5
Domestic stocks	8,907.7	- 670.0
Foreign securities	3,805.9	+457.7
Others	77.3	-10.8

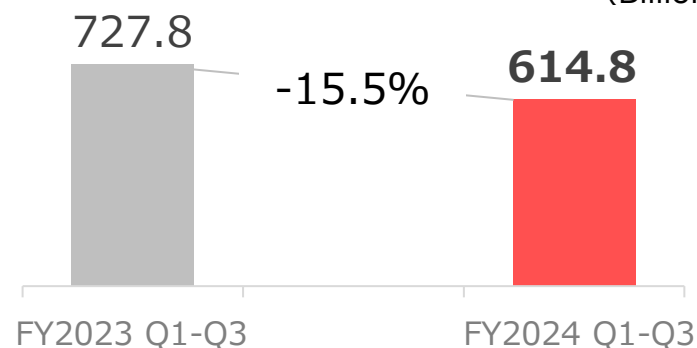
※ Calculations exclude items such as stocks without market prices and entities such as partnerships.

Taiju Life

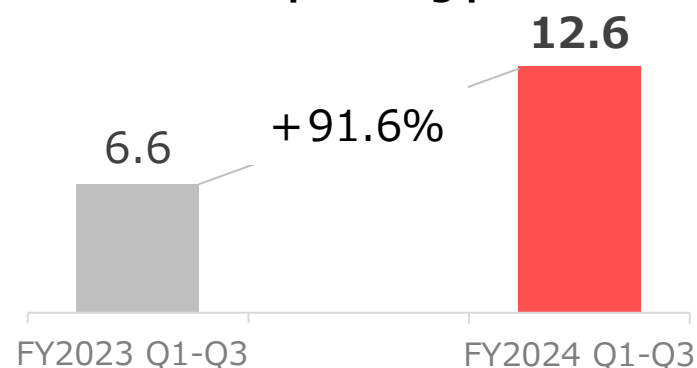
- Revenue decreased and core operating profit increased year on year.
- Revenues from insurance and reinsurance decreased, mainly due to a decrease in sales of foreign currency-denominated single payment products.
- Core operating profit increased due to an improvement in investment loss, mainly due to a decrease in hedge cost.

Revenues from insurance and reinsurance

(Billions of Yen)



Core operating profit



	FY2024 Q1-Q3	YoY change
Core operating profit	12.6	+91.6%
Investment yield margin	-23.1	+37.1%
Net insurance-related gains*	35.8	-17.5%

* Sum of the expense margin and risk margin.

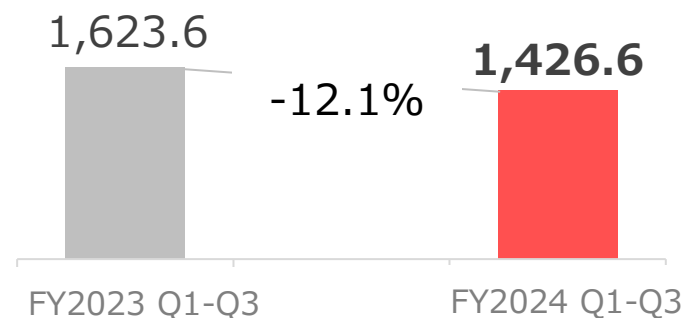
※ Nonconsolidated figures are shown.

Nippon Wealth Life

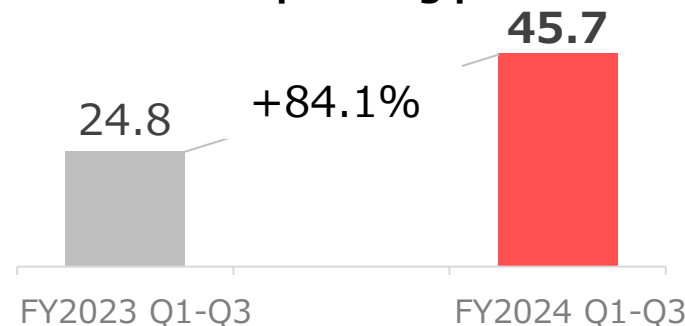
- Revenue decreased and core operating profit increased year on year.
- Revenues from insurance and reinsurance decreased, mainly due to decreases in reinsurance revenue resulting from the change in reinsurance cession method, and in sales of foreign currency-denominated single payment products.
- Core operating profit increased, mainly due to an increase in interest, dividends, and other income.

Revenues from insurance and reinsurance

(Billions of Yen)



Core operating profit



	FY2024 Q1-Q3	YoY change
Core operating profit	45.7	+84.1%
Investment yield margin	43.7	+63.2%
Net insurance-related gains*1	2.0	(Profit increased)*2

*1 Sum of the expense margin and risk margin.

*2 Variance cannot be calculated because the figures of FY2024 Q1-Q3 were positive, whereas those of FY2023 Q1-Q3 were negative.

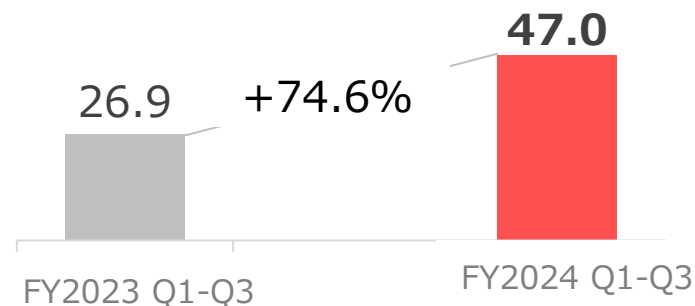
※ Nonconsolidated figures are shown.

Hanasaku Life

- Revenue and core operating profit increased year on year.
- Revenues from insurance and reinsurance increased mainly due to an increase in sales of products 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, among other factors, which offset an increase in operating expenses and other changes from business expansion.

Revenues from insurance and reinsurance

(Billions of Yen)



Core operating profit



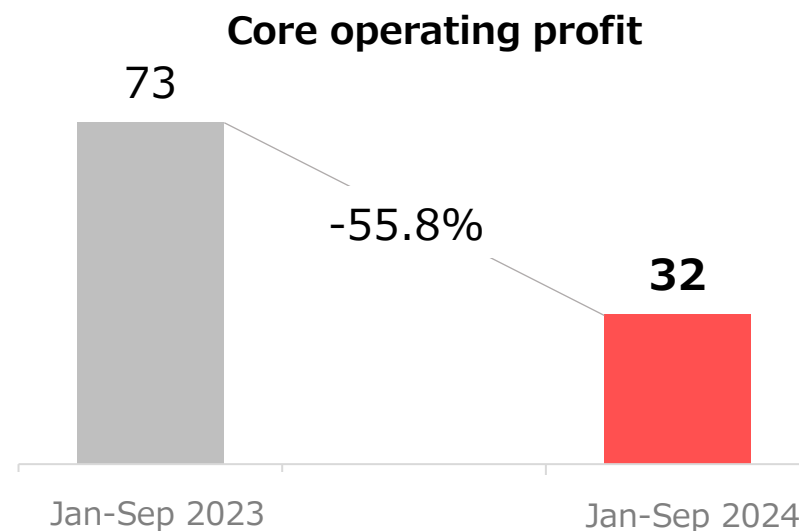
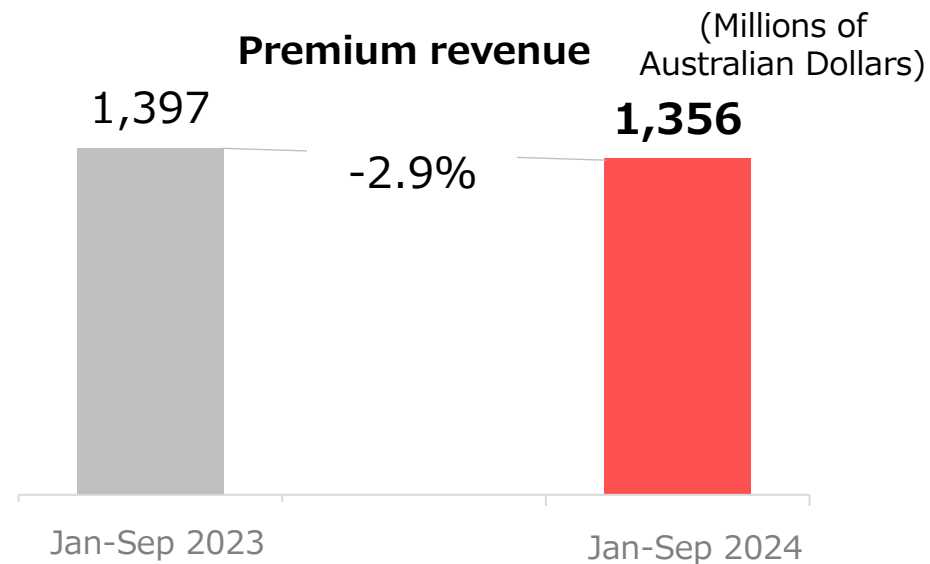
	FY2024 Q1-Q3	YoY change
Core operating profit	-8.6	+38.7%
Investment yield margin	0.2	+179.1%
Net insurance-related gains*	-8.8	+37.3%

* Sum of the expense margin and risk margin.

※ Nonconsolidated figures are shown.

MLC

- Premium revenue and core operating profit decreased compared to Jan-Sep 2023.
- Premium revenue decreased mainly due to a decrease in revenue in group insurance.
- Core operating profit decreased mainly due to an increase in payments in individual insurance.



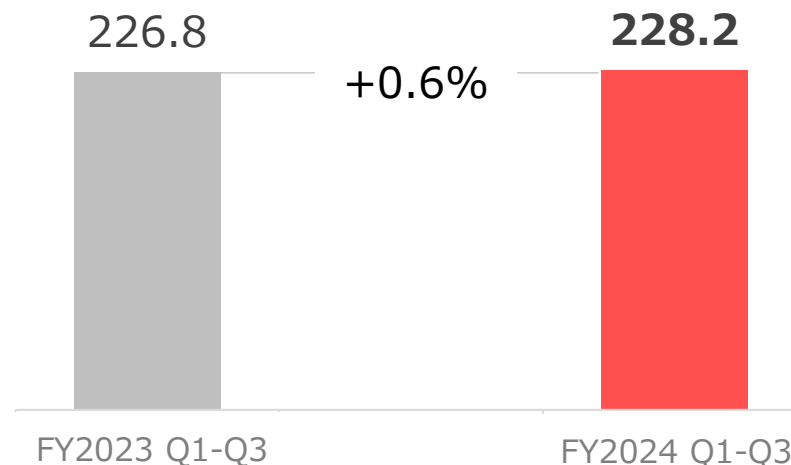
※ Nonconsolidated figures are shown.
※ Q3 performance reflects consolidated results for January to September.
※ Premium revenue is shown based on an earned basis in accordance with Japanese accounting standards (the former accounting standard).

Nichii Holdings

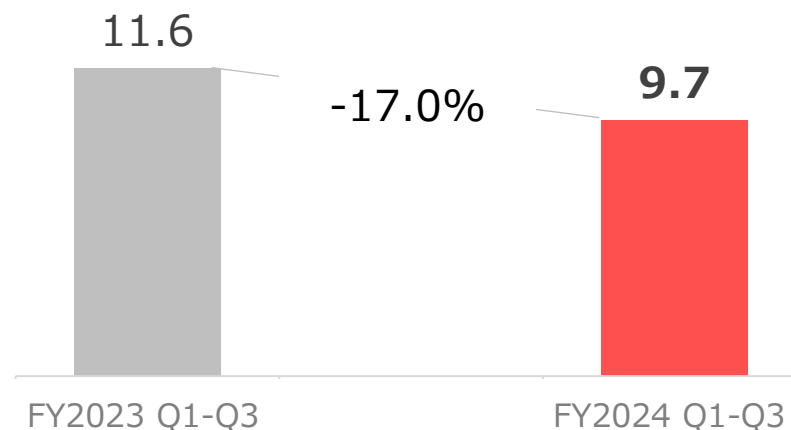
- Net sales increased and net income before taxes decreased year on year.
- Net sales increased across the three main business domains of medical-related, long-term care, child care.
- Net income before taxes decreased due to factors that include lower non-operating income, as well as a decrease in operating income caused by higher personnel expenses.

Net sales

(Billions of Yen)



Net income before taxes



※ Consolidated figures of Nichii Holdings are shown.

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^{*1} 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^{*2} and the risk margin^{*3}.

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^{*4}. 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^{*5}.

(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 31st to 60th year)

Set an assumed UFR^{*6} 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 61st year onward)

Set the UFR as the forward rate.

(Reference) Government bond yield rates as of the end of December 2024

Period	Yen	U.S. dollar	Australian dollar
10 years	1.1%	4.6%	4.5%
20 years	2.0%	4.9%	4.9%
30 years	2.5%	4.7%	5.1%

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.