



Nippon Life  
Insurance Company

# INVESTOR PRESENTATION

Nippon Life Insurance Company  
July 2024

This presentation was prepared solely for the purpose of presenting general background information regarding Nippon Life Insurance Company (the “Company”) and its consolidated subsidiaries and affiliates accounted for by the equity method. The information in this presentation is confidential and is being furnished solely for your confidential use. By accepting receipt of this presentation, you agree not to furnish this presentation to or discuss or share its contents with any other person or use this presentation or any information herein for any other purpose.

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in the United States, Japan or any other jurisdiction in which such offer, solicitation or sale would be unlawful.

Unless otherwise indicated, the financial measures for the Company included in this presentation are prepared in accordance with accounting principles generally accepted in Japan, or Japanese GAAP (“Japanese GAAP”). These materials contain certain non-Japanese GAAP financial measures, which should not be considered in isolation or as a substitute for the most directly comparable financial measures presented in accordance with Japanese GAAP.

This presentation contains statements that constitute forward-looking statements. Such forward-looking statements do not represent any guarantee by the Company of future performance. Any forward-looking statements in this presentation are based on the current assumptions and beliefs of the Company in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Company’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking statements.

This presentation is based on information available as of the date hereof or the dates indicated herein. It should be understood that subsequent developments may affect the information contained in this presentation, and that the Company is under no obligation to update, revise or affirm such information based on events or circumstances after the date hereof.

## Overview of Nippon Life Group

## Highlights of Our Strengths

- I. Stable Performance in the Domestic Insurance Market
- II. Diversified Business Profile with Global Insurance Business and AM Business
- III. High Investment Capabilities with Prudent and Flexible ALM Strategy
- IV. Robust Capital Base under Disciplined ERM



# Overview of Nippon Life Group

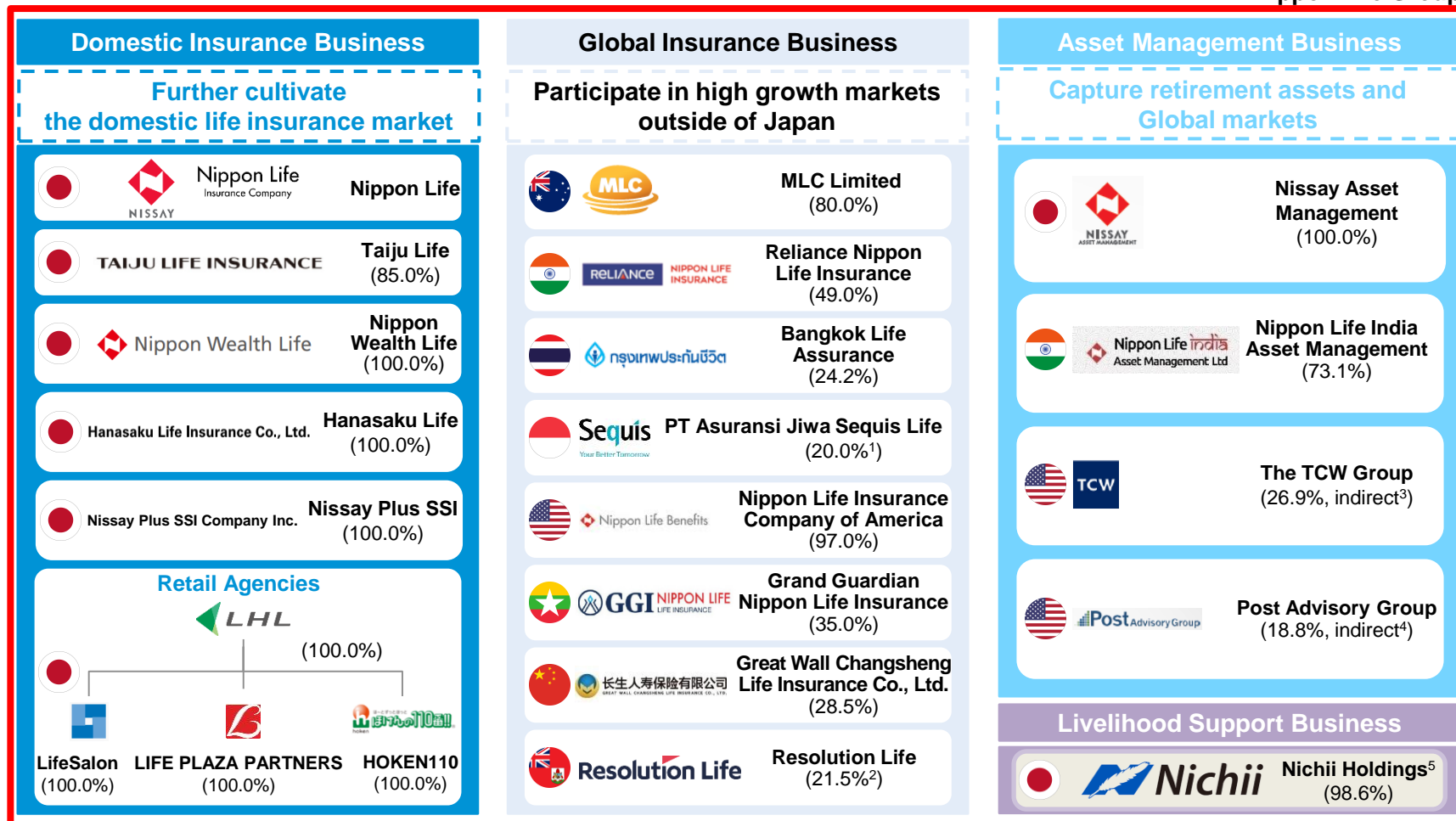
# Overview of Nippon Life Group



Nippon Life  
Insurance Company

- We seek to further expand our solid footprint in Japan, while building on our asset management business and global insurance business in an effort to diversify revenue sources and to capture growth outside of Japan
- As a result of recent strategic initiatives, we have successfully diversified our business portfolio

## Nippon Life Group



Note: As of March 31, 2024. Percentages indicate percentages of ownership

- 68.34% held by Nippon Life's equity-method affiliate PT Sequis, in which Nippon Life holds 29.26% of the total voting rights, which results in 20.0% (0.01% is held directly by Nippon Life in addition)
- The percentage of voting rights held directly by Nippon Life is 20.0%
- 100% held by a subsidiary of Clipper Holding, L.P., of which 26.85% of voting rights are held by Nippon Life's fully owned subsidiary NLI US Investments
- An equity-method affiliate held by Nippon Life's fully owned subsidiary NLI US Investments
- The acquisition was completed in June 2024

A solid blue horizontal bar spanning the width of the slide.

# Highlights of Our Strengths

Three horizontal blue bars of varying lengths and shades (dark blue, medium blue, and light blue) stacked vertically on the left side of the slide.



Nippon Life  
Insurance Company



I

Stable Performance  
in the Domestic Insurance Market

II

Diversified Business Profile  
with Global Insurance Business and AM Business

III

High Investment Capabilities  
with Prudent and Flexible ALM Strategy

IV

Robust Capital Base under Disciplined ERM

A solid blue horizontal bar spanning the width of the slide.

# Stable Performance in the Domestic Insurance Market

Three horizontal blue bars of varying lengths and shades (dark blue, medium blue, and light blue) stacked vertically on the left side of the slide.



# Overview of New Mid-Term Management Plan (2024-2026)

- In the new mid-term management plan, we aim to achieve the “growth of the Group”, “world-class financial soundness level” and “enhancement of policyholder dividends” through “expansion of the value we provide to society” through each business

Society  
we aim for

A society where everybody can live in peace and security for all time

Corporate vision

Group that serves as “multidimensional peace of mind”, which provides a range of secureness including asset management, healthcare, nursing care, and childcare etc. in addition to life insurance



## New Mid-term Management Plan (2024-2026)

Positioning

Three years to accelerate expansion of sales performance and new profit centers  
to accelerate the mid- to long-term growth and to strongly promote group management

Slogan

“Providing more customers with peace of mind that exceeds their expectations”

5 Strategic  
Focus  
Areas

- 1 Increase the value of domestic insurance business
  - 2 Enhance multifaced approach in giving peace of mind in our domestic business
  - 3 Expand global business
  - 4 Advance financial strategies (asset management, capital investment, and policyholder dividends payout)
  - 5 Build a strong management foundation
- Customer-oriented Business Operations

### Expansion of the Value We Provide to Society

- Expanding products and services
- Strengthening consulting function
- Improving CX<sup>1</sup>
- Supporting corporate management issues
- Contributing to solving social issues in local communities and global environment

Expand to 15.6mm<sup>2,3</sup> customers & 0.35mm<sup>2,3</sup> client companies

Increase assets on deposit to ¥112trn<sup>2,3</sup>

### Growth of the Group (FY2026 Target<sup>3</sup>)

Value of New Business ¥350bn<sup>4,5</sup>

Annualized Premiums from Policies in Force ¥4.8trn<sup>2</sup>

Core Operating Profit ¥860bn<sup>6</sup>

### Soundness & Policyholder Dividends<sup>3</sup>

Securing world-class financial soundness level (ESR 200-270%<sup>4,7</sup>)

Enhancement of policyholder dividends  
(Achieve a stable policyholder dividend payout ratio of approx. 60%<sup>8,9</sup>)

1. Customer experience  
2. Target figures of domestic group  
3. These targets are forward-looking statements and are subject to various risks and uncertainties. Actual results may differ materially from those indicated by the targets shown above  
4. Target figures of group including global business  
5. Value of new business is defined as the present value of future profits and losses generated by new business acquired in the fiscal year ended March 31, 2023  
6. Core operating profit is defined as core operating revenues (revenues from insurance and reinsurance, investment income other than capital gains, other ordinary income and other core operating income) less core operating expenses (benefits and other payments, provision for policy reserves other than provisions for and reversals of contingency reserves, investment expenses other than capital losses, operating expenses, other ordinary expenses and other core operating expenses)  
7. Economic value-based solvency ratios measure the solvency of an insurance company based on the economic value of its assets and liabilities and can be valuable in assessing an insurance company's specific risk profile. We have voluntarily adopted an internal economic value-based solvency framework, taking into consideration the Risk-based Global Insurance Capital Standard, a framework for IAIGs, which is currently under development by the IAIS, to measure available capital based on current observable market rates, and disclose our internal economic value-based solvency ratio, which we refer to as ESR, as a supplement to our solvency margin ratio. ESR is equal to the sum of our surplus, which is the difference between the market value of our assets and the market value of our liabilities, and our external financing capital, which is comprised of outstanding foundation funds and subordinated bonds, divided by our integrated risk amount, which we define as the estimated amount of capital necessary to cover all of our quantifiable risk, including insurance underwriting risk, market risk, credit risk and operational risk, subject to certain adjustments for a one-year period, to a 99.5% confidence level. The internal model we have developed and use to calculate ESR on a voluntary basis to monitor our financial soundness has not been approved by the FSA, and our ESR framework may differ from, and accordingly may not be directly comparable to, any standardized model adopted in Japan or the economic value-based solvency frameworks currently or ultimately adopted by other similar insurance companies in Japan. We review our ESR framework on an ongoing basis and may from time to time revise our ESR framework based on our own assessment of the appropriateness of the current framework or based on discussions with the FSA or IAIS  
8. Non-consolidated  
9. The policyholder dividend payout ratio equals the reserve for policyholder dividends (including the equalized reserve for dividends to policyholders) divided by adjusted net surplus (in the case of a reversal, the reversal amount is deductible)

# Highlights of Numerical Targets of New Mid-Term Management Plan (2024-2026)



Nippon Life  
Insurance Company

- We aim to accomplish the numerical targets below toward “growth of the Group”, “world-class financial soundness level” and “enhancement of policyholder dividends” through the “expansion of providing value to society”

Value Providing to Society	People / Local Community	Indicators	FY2023 Actual	FY2026 Target <sup>5</sup>	FY2035 Target <sup>5</sup>
		Number of Customers	14.92mm	15.6mm	17mm
		Number of Client Companies	0.342mm	0.35mm	0.37mm
		Customer Satisfaction	Individual 95.0% Group Insurance 96.1% Group Annuities 91.3%	90%+	
		Asset of Deposit	Japan, Group ¥109trn Global ¥118trn	¥112trn (Global ¥121trn)	¥125trn (Global ¥140trn)
		Nissay Health Expectancy	Male 71.50-year-old Female 73.77-year-old	–	2-years Extension (vs. FY2023)
	Earth Environment	Indicators	FY2022 Actual	FY2030 Target <sup>5</sup>	FY2050 Target <sup>5</sup>
		CO2 Emissions (Business Activity Areas)	(30.9)% (vs. FY2013)	(51+)% (vs. FY2013)	Net Zero
		Scope1&2 (in-house electricity emissions)	45k tons / year Renewable Energy Ratio 17.7%	Net Zero, Renewable Energy Ratio 100%	
		GHG Emissions (Asset Management Areas)	Total Emissions (vs. FY2010) (45)% Intensity (vs. FY2020) (20)%	Total Emissions (vs. FY2010) (45+)% Intensity (vs. FY2020) (49+)%	
		Contribution Amount to Greenhouse Gas Reduction (Asset Management Areas)	3.35mm tons / year	15mm tons / year	–
Growth of Our Group	Insurance Business	Indicators	FY2023 Actual	FY2026 Target <sup>5</sup>	FY2035 Target <sup>5</sup>
		Annualized Premiums from Policies	¥4.75trn	¥4.85trn	–
		Value of New Business <sup>1</sup>	¥326bn	¥350bn	–
	All Businesses	Core Operating Profit <sup>2</sup>	¥764bn	¥860bn	Approx. Twice vs. Current
Soundness & Policyholder Dividends	ESR <sup>3</sup>		224%	Maintaining 200-270%	
	Policyholder Dividend Payout Ratio <sup>4</sup>		51% (Target: Stable 50%)	Steadily Maintaining Approx. 60%	

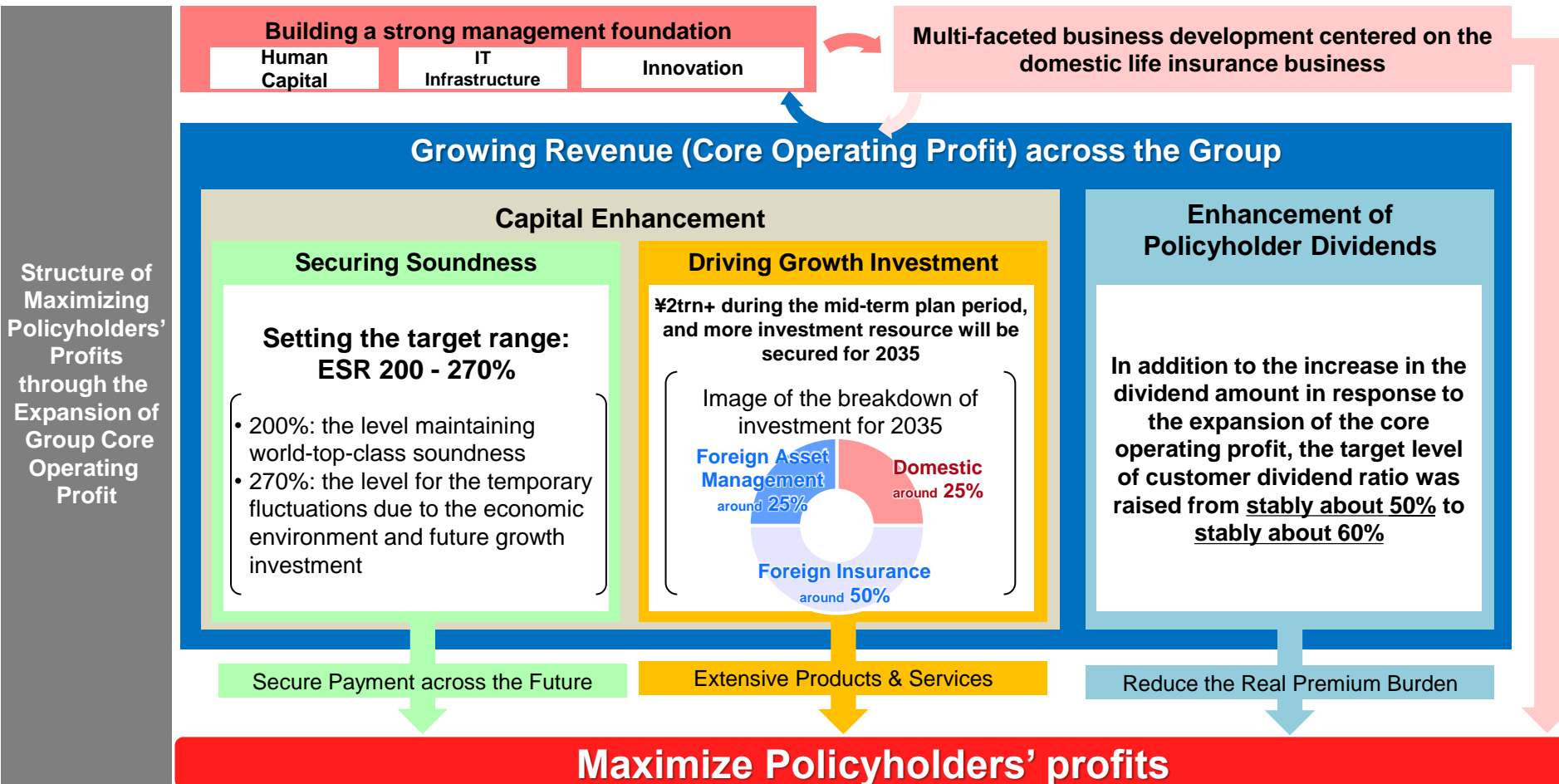
- Value of new business is defined as the present value of future profits and losses generated by new business acquired in the fiscal year
- Core operating profit is defined as core operating revenues (revenues from insurance and reinsurance, investment income other than capital gains, other ordinary income and other core operating income) less core operating expenses (benefits and other payments, provision for policy reserves other than provisions for and reversals of contingency reserves, investment expenses other than capital losses, operating expenses, other ordinary expenses and other core operating expenses)
- Economic value-based solvency ratios measure the solvency of an insurance company based on the economic value of its assets and liabilities and can be valuable in assessing an insurance company's specific risk profile. We have voluntarily adopted an internal economic value-based solvency framework, taking into consideration the Risk-based Global Insurance Capital Standard, a framework for IAIGs, which is currently under development by the IAIS, to measure available capital based on current observable market rates, and disclose our internal economic value-based solvency ratio, which we refer to as ESR, as a supplement to our solvency margin ratio. ESR is equal to the sum of our surplus, which is the difference between the market value of our assets and the market value of our liabilities, and our external financing capital, which is comprised of outstanding foundation funds and subordinated bonds, divided by our integrated risk amount, which we define as the estimated amount of capital necessary to cover all of our quantifiable risk, including insurance underwriting risk, market risk, credit risk and operational risk, subject to certain adjustments for a one-year period, to a 99.5% confidence level. The internal model we have developed and use to calculate ESR on a voluntary basis to monitor our financial soundness has not been approved by the FSA, and our ESR framework may differ from, and accordingly may not be directly comparable to, any standardized model adopted in Japan or the economic value-based solvency frameworks currently or ultimately adopted by other similar insurance companies in Japan. We review our ESR framework on an ongoing basis and may from time to time revise our ESR framework based on our own assessment of the appropriateness of the current framework or based on discussions with the FSA or IAIS
- The policyholder dividend payout ratio equals the reserve for policyholder dividends (including the equalized reserve for dividends to policyholders) divided by adjusted net surplus (in the case of a reversal, the reversal amount is deductible)
- These targets are forward-looking statements and are subject to various risks and uncertainties. Actual results may differ materially from those indicated by the targets shown above

# Maximize Policyholders' Profits through the Expansion of Group Core Operating Profit



Nippon Life  
Insurance Company

- By realizing profit expansion across the entire group, we are:
  - Securing world-top-class soundness while also enriching policyholder dividends through capital enhancement
  - Enhancing & strengthening each business especially domestic life insurance business, with an aim to further increase revenue and to enhance products & services that meet customer needs, by promoting growth investment utilizing our capital and enhancement of business base such as human capital etc.
- We aim to maximize policyholders' profits through above



# Our Group's Dominant Position with Strong and Diversified Business Base



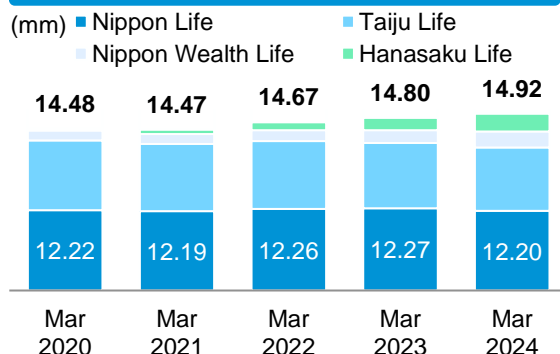
Nippon Life  
Insurance Company

- Our core business is the sale of profitable individual insurance products through our sales representative channel, while successfully diversifying our product portfolio and distribution channel

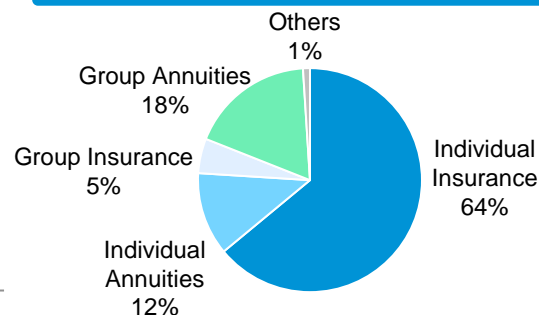
## Key Figures (FY2023)

Premium income (Consolidated) <sup>1</sup>	¥8,598.3bn
Total assets (Consolidated)	¥97,596.2bn
Solvency margin ratio (Consolidated)	1,025.7%
Number of customers <sup>2</sup>	14.92mm
Number of sales representatives <sup>3</sup>	54,429

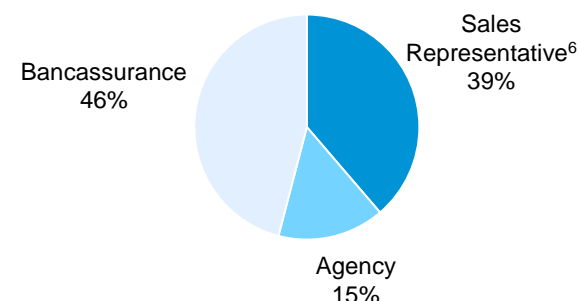
## Number of Customers (Japan Total)



## Business Mix (Premium Income by Product, FY2023)<sup>4</sup>



## Channel Mix – Individual (AP of New Policies by Channel, FY2023)<sup>5</sup>



Note: FY2023 represents the fiscal year ended March 31, 2024

1. Revenues from insurance and reinsurance premiums

2. Sum of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life

3. Sum of Nippon Life and Taiju Life

4. Sum of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life

5. Sum of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life. AP stands for Annualized Premium. Channel mix of individual insurance. Hanasaku Life's sales representative channel includes mainly sales through online channels

6. Including Life Plazas which provide customers and potential customers with information and advice on insurance products, as well as on tax, asset management, medical & nursing care and variable annuity products

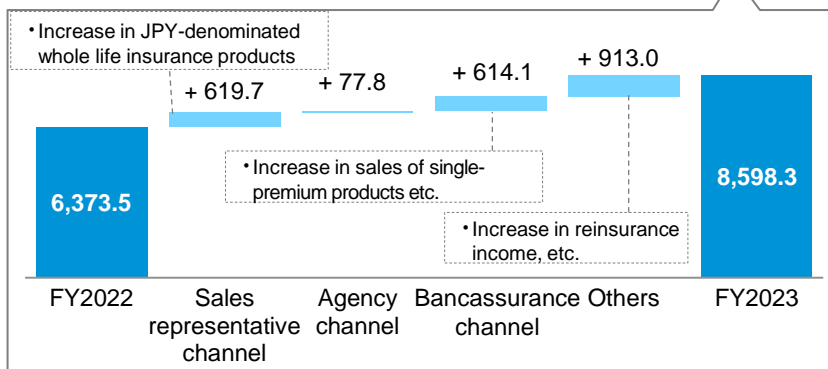
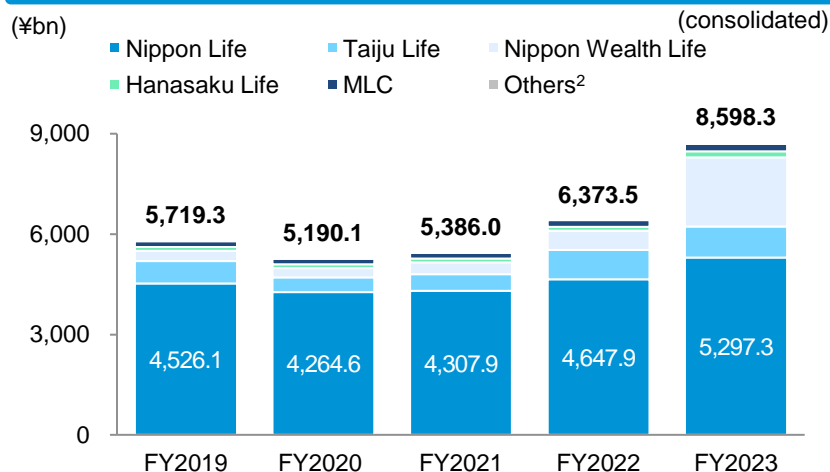
# Premium Income and Interest and Dividend Income



Nippon Life  
Insurance Company

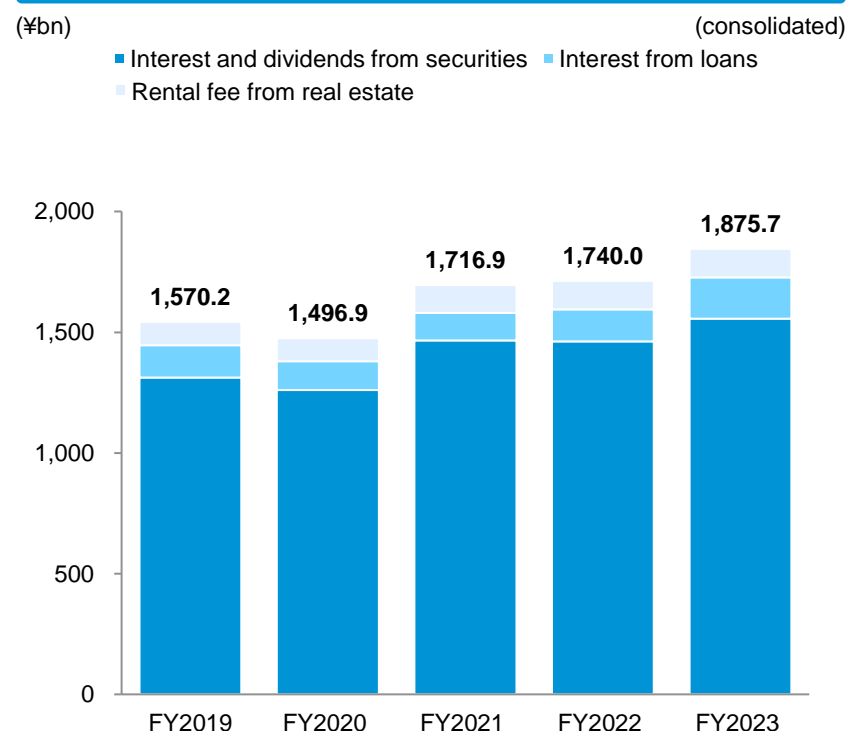
- Our premium income for FY2023 increased due to the increase in sales of whole life insurance products in sales representative channel single-premium products in bancassurance channel. In addition, sales of single-payment whole life insurance at Nippon Life and Nippon Wealth Life made the largest contributions to the growth
- Interest and dividend income increased due primarily to the depreciation of the Japanese Yen against other major and strong corporate performances

## Premium Income<sup>1</sup>



1. Revenues from insurance and reinsurance premiums
2. Others include companies not mentioned and inter-sales adjustment

## Interest and Dividend Income



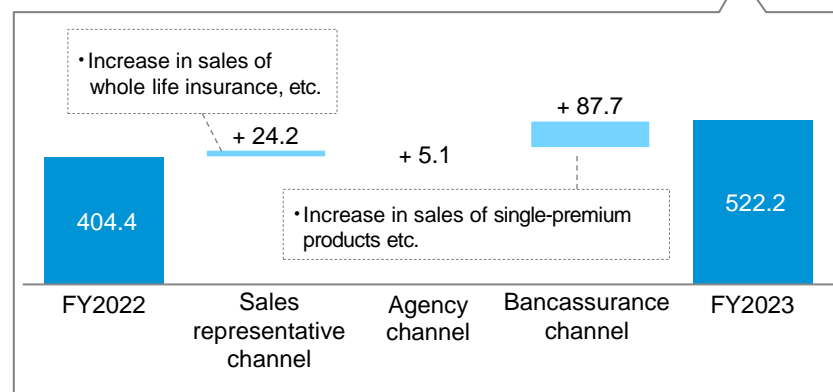
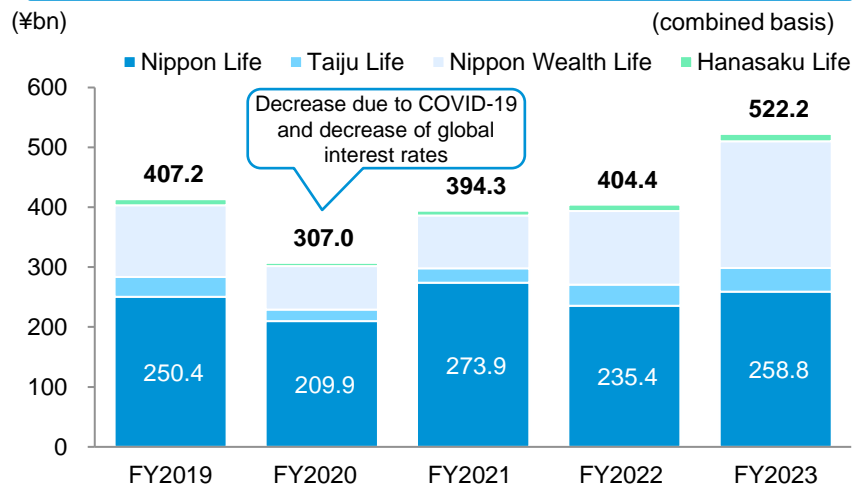
# Annualized Premiums from Insurance Policies



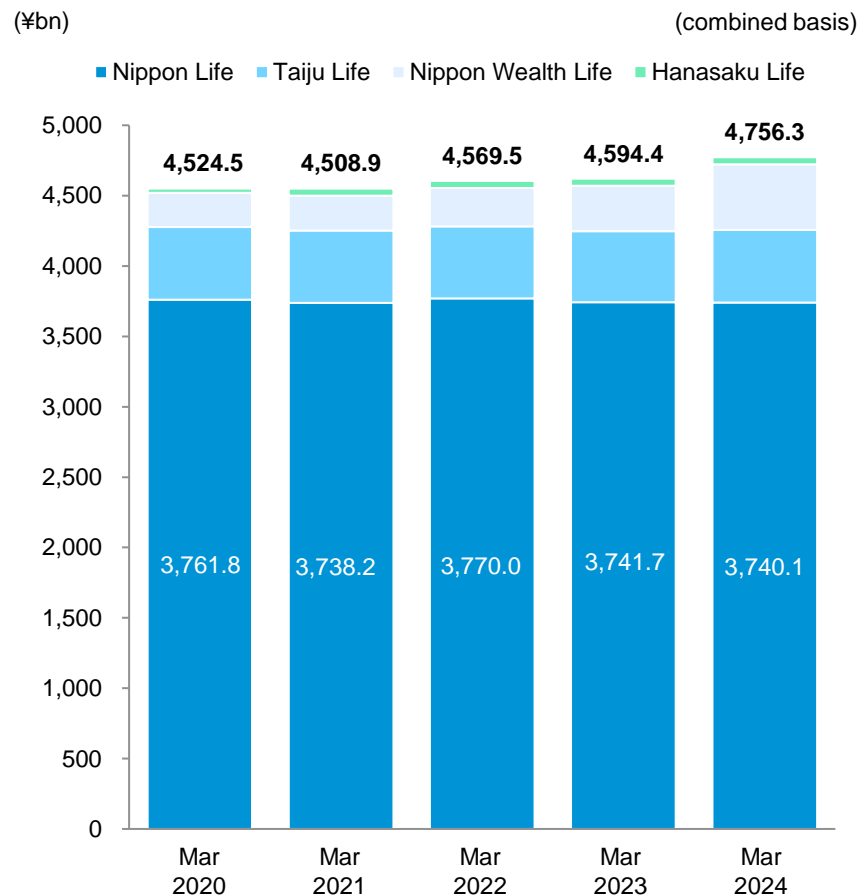
Nippon Life  
Insurance Company

- Our annualized premiums from new policies have surpassed pre-COVID-19 levels in FY2023
- Our annualized premiums from policies in force have been stable and the latest fiscal year result was the highest in the last 5 fiscal years

## Annualized Premiums from New Policies<sup>1</sup>



## Annualized Premiums from Policies in Force<sup>1</sup>



1. Individual insurance and individual annuities. Combined basis is the sum of Nippon Life, Taiju Life, Nippon Wealth Life, and Hanasaku Life

# Core Operating Profit

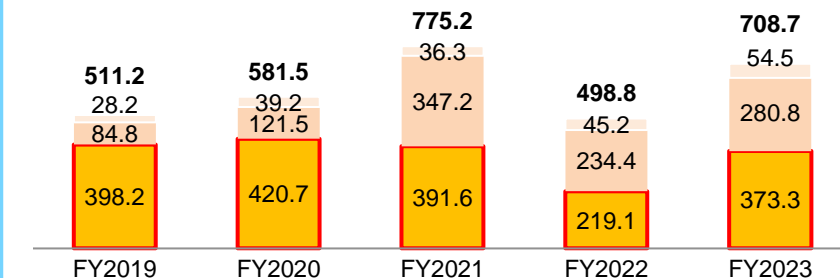


Nippon Life  
Insurance Company

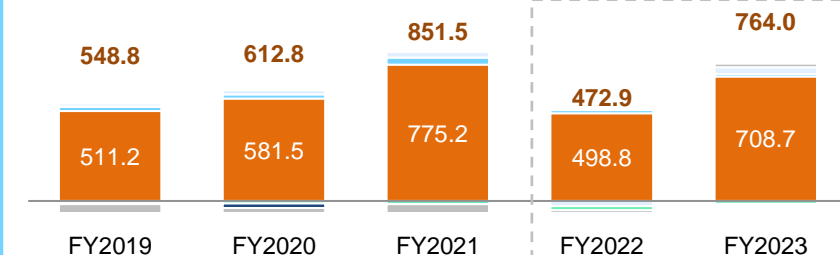
- Mortality & morbidity gains have been a major part of Nippon Life's core operating profit
- Core operating profit for FY2023 increased mainly due to the increase in mortality & morbidity gains as COVID-19 related payments have fallen sharply compared to FY2022

## Core Operating Profit<sup>1,2,3</sup>

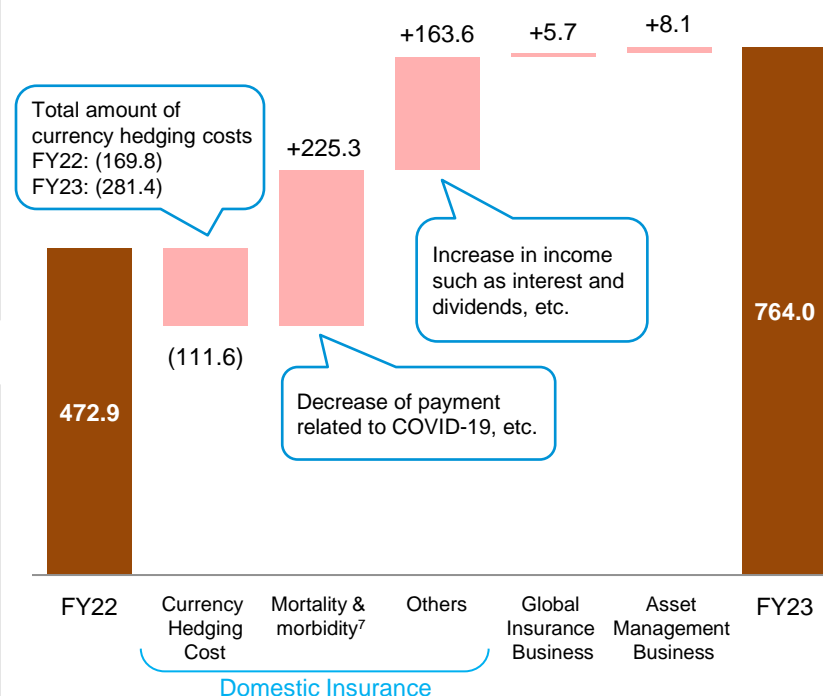
(¥bn) ■ Mortality & morbidity gains ■ Interest gains ■ Expense margins



(¥bn) ■ Nippon Life ■ Taiju Life ■ Nippon Wealth Life ■ Hanasaku Life ■ MLC ■ Others<sup>6</sup>



## Inc. / Dec. Factors (FY2022 vs. FY2023)



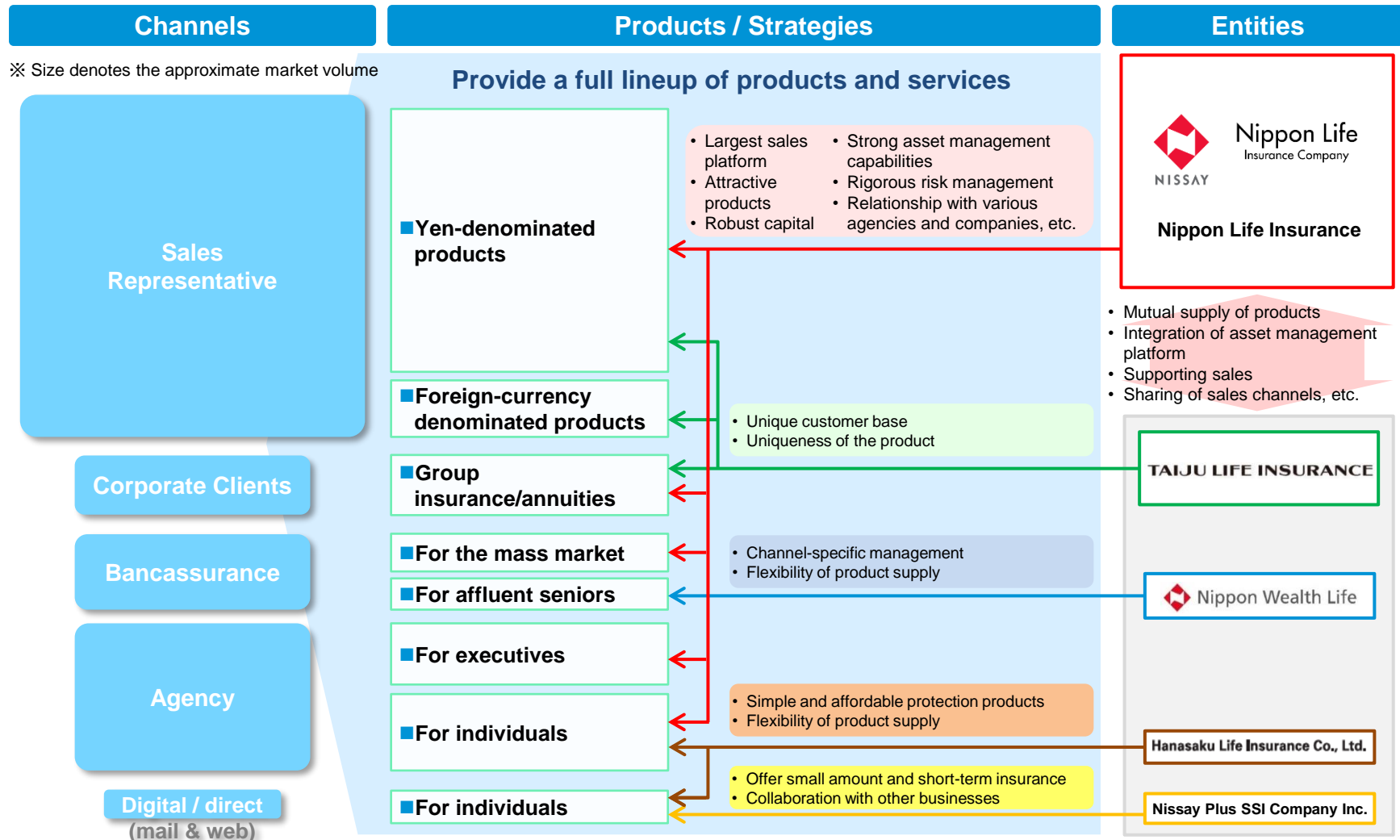
1. New calculation method has been applied since FY2022 and this change has been reflected to other fiscal years unless noted otherwise
2. Core operating profit = Mortality & morbidity gains + Interest gains + Expense margins
3. The effect of interest rate and exchange rate fluctuation in the foreign currency-denominated items has been excluded since FY2018 1Q
4. Nippon Life only
5. Figures are Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life's core profits, global life insurance subsidiaries and related companies along with domestic/global asset management businesses' incomes before tax, adjusting impact from holding ratio, FX and inter-sales adjustments, etc.
6. Others include companies not mentioned and inter-sales adjustment
7. Contains COVID-19 related payments including hospital benefits of deemed hospitalization, hospital benefits of hospitalization at a medical institution, and death benefits related to COVID-19, accidental death rider, etc.

# Nippon Life Group's Multi-channel and Products Strategy



Nippon Life  
Insurance Company

- We have been cultivating the domestic market as a unified group, with multi-channel and products strategy. Each entity has strengths in specific channels and products
- We provide a full lineup of products and services that addresses the diverse needs of a wide range of customers on a group-wide basis





■ We are working on digitalization as a group to improve business productivity and to meet customers' digital needs

## ■ Enhance sales consulting

- Accumulate and analyze data from business activities
- Improve presentations skills and optimize proposals by AI
- Allocate smartphones and tablets
- Increase contact points with customers through social media / email and online event etc.



Smart Devices

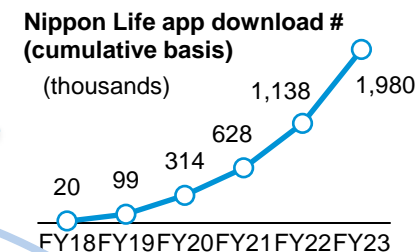
**Sales Representatives**

## ■ Improve convenience

- Expand online procedures
- Apply AI to customer services



Customer Experience



Nippon Life  
Insurance Company

Data Analysis

Operational Efficiency



Nippon Life

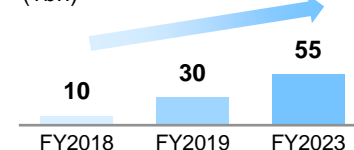
Open Innovation



Hanasaku Life Insurance Co., Ltd.  
Nissay Plus SSI Company Inc.

**Customers**

**Innovation Investment Facility by Nippon Life X**  
(¥bn)



Digital Channel



## ■ Upgrade and optimize existing business

- Utilize Robotic Process Automation, OCR, AI etc.
- Start demonstration experiment of utilizing ChatGPT

## ■ Promote new businesses

**Established Hanasaku Life (2018-) and Nissay Plus SSI (2022-)**

- Start digital and direct channel

**Established “Nippon Life X” (2018-)**

- Invest in startups and VCs which own advanced technology
- Support in utilization of advanced technology to each business

# Sustainability Management of Nippon Life Group



Nippon Life  
Insurance Company

- We aim to increase our corporate value by contributing to building a safe, secure, and sustainable world in all corporate activities throughout the entire value chain

## People

Through providing life insurance products that meet various risks, secured payment, raising and developing children, health care, asset formation, nursing care, and more, we will continue to accompany as many lives as possible

## Local Community

As a member of local communities, we will actively participate in initiatives that lead to the resolution of local issues and contribute to the creation of a vibrant local community

## Earth Environment

Through responsible management as an institutional investor, we will contribute to the resolution of social issues such as climate change, etc. and will work on the foundation of a rich global environment



Management  
foundation  
supporting  
the above

Compliance, Risk management,  
Corporate governance, Human capital

## PRI<sup>1</sup> in Person 2023

- We are the first lead-sponsor as an insurance company in “PRI in Person 2023”, a conference for investment industry stakeholders focused on responsible investing, which was held in Tokyo on October 3-5, 2023 for the first time

---

## Diversified Business Profile with Global Insurance Business and AM Business

---

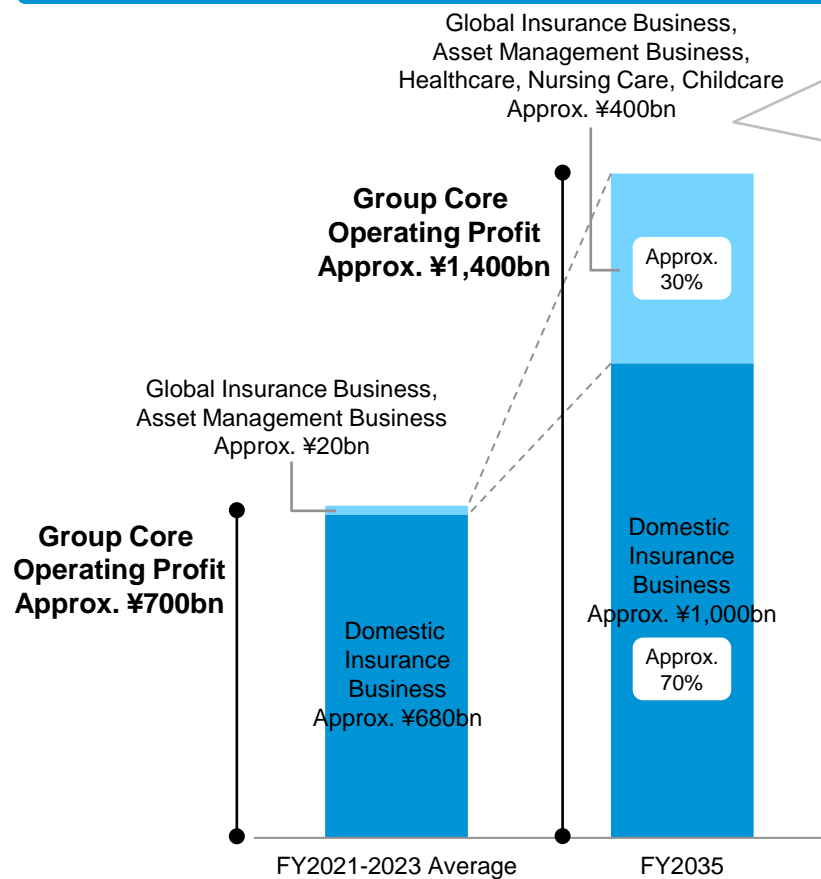
# Global Insurance Business and Asset Management Businesses



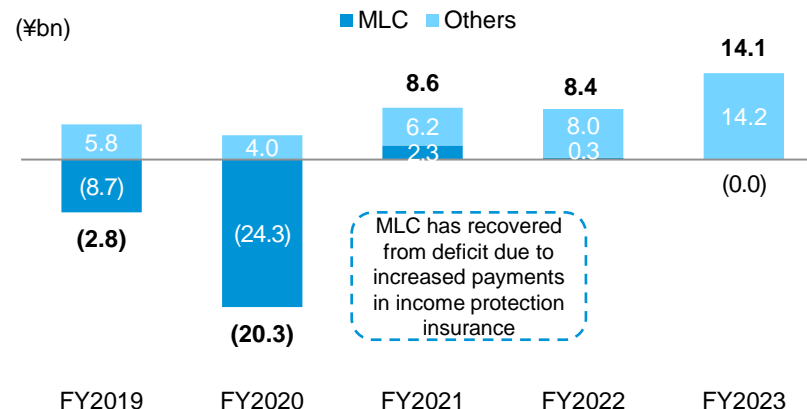
Nippon Life  
Insurance Company

- The global insurance business and asset management business are key drivers of our revenue source diversification, although their contribution to entire core operating profit is still small
- We continue to pursue additional revenue contribution from growing global market and asset management space

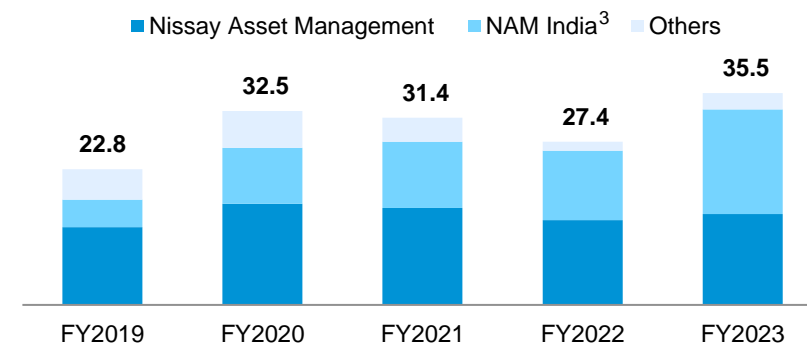
## Group Core Operating Profit<sup>1</sup>



## Global Insurance Business (Group Core Operating Profit<sup>2</sup>)



## Asset Management Business (Group Core Operating Profit<sup>2</sup>)



- Figures are Nippon Life, Taiju Life, Nippon Wealth Life, Hanasaku Life's core operating profits, global life insurance subsidiaries and affiliates along with domestic / global asset management businesses' total pre-tax net income multiplied by our share ownership adjusting factors such as exclusion of interest rate fluctuation, including global life insurance subsidiaries and affiliates
- Core operating profit is defined as core operating revenues (revenues from insurance and reinsurance, investment income other than capital gains, other ordinary income and other core operating income) less core operating expenses (benefits and other payments, provision for policy reserves other than provisions for and reversals of contingency reserves, investment expenses other than capital losses, operating expenses, other ordinary expenses and other core operating expenses)
- Nippon Life India Asset Management

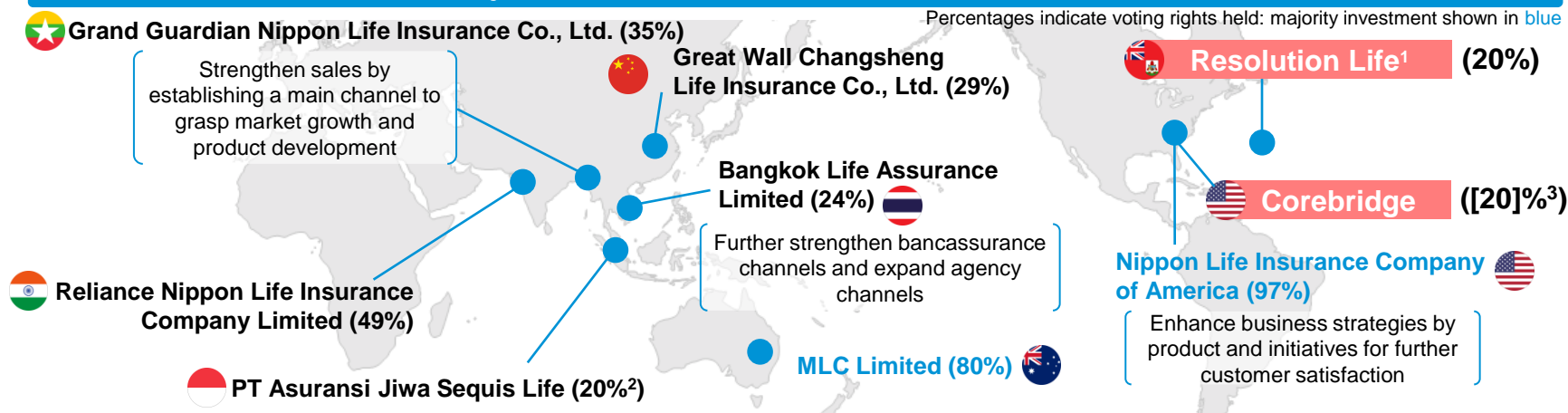
# Strategies of Global Insurance Business



Nippon Life  
Insurance Company

- We plan to further strengthen the existing businesses and enhance earnings by supporting each company's management strategy, expanding profitability of the existing businesses while considering new investments in advanced economies such as Resolution Life and Corebridge

## Major Global Insurance Subsidiaries and Affiliates



### Expand Profitability of the Existing Business

#### MLC

Realize stable and expanding earnings by steadily pursuing the three-year management plan

#### Reliance Nippon Life

Expand production and improve earnings by strengthening the in-house channel

#### Sequis Life

Expand production through growth in agency channel

#### Great Wall Changsheng Life

Improve productions and earnings while realizing financial soundness by shifting into protection-type products

### New Investment Mainly in Advanced Economies

#### Resolution Life

Capturing continued strength in the life closed block consolidation space

- Ownership increased to 22% after additional investments (October 2023)
- Resolution Life has become our affiliate
- Utilizing the additional capital, looking to capture large opportunities in the US
- Improved investment capabilities through collaboration with Blackstone

#### Corebridge

Aims to establish a business base in the world-largest and steadily growing U.S. life insurance market

- Agreed to acquire a 20% equity interest of Corebridge from AIG (May 2024)
- Corebridge is one of the largest providers of retirement solutions and insurance products in the U.S.
- Establishing a business foundation and network in the U.S. life insurance and retirement markets
- Accelerate our geographical diversification of our source of profits

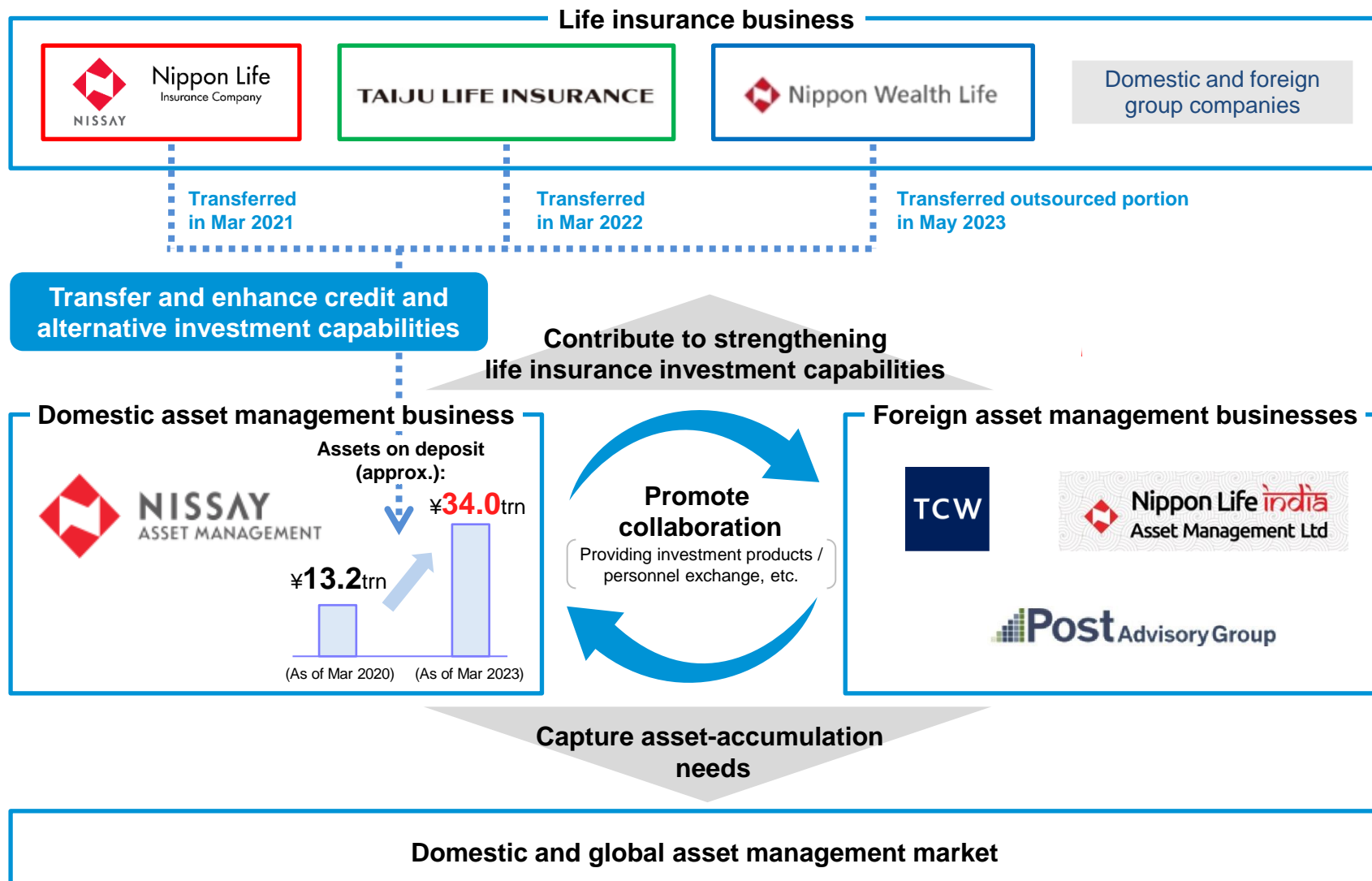
1. Resolution Life is a global insurance group focusing on the acquisition and management of life insurance policies, which is expected to become affiliate after additional investment  
 2. The percentage of voting rights shown is that held by our equity-method affiliate, PT Sequis  
 3. The transaction is subject to procedures related to regulatory approvals as well as notification of the relevant authorities in relation to the acquisition

# Strategies of Asset Management Business



Nippon Life  
Insurance Company

- We have advanced our asset management business with the aim to strengthen life insurance investment capabilities and capture asset-accumulation needs which cannot be covered by life insurance products



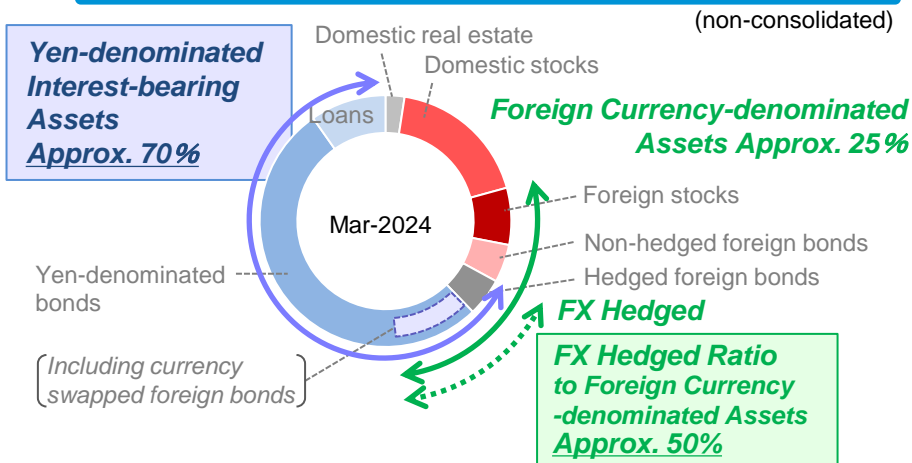
---

## High Investment Capabilities with Prudent and Flexible ALM Strategy

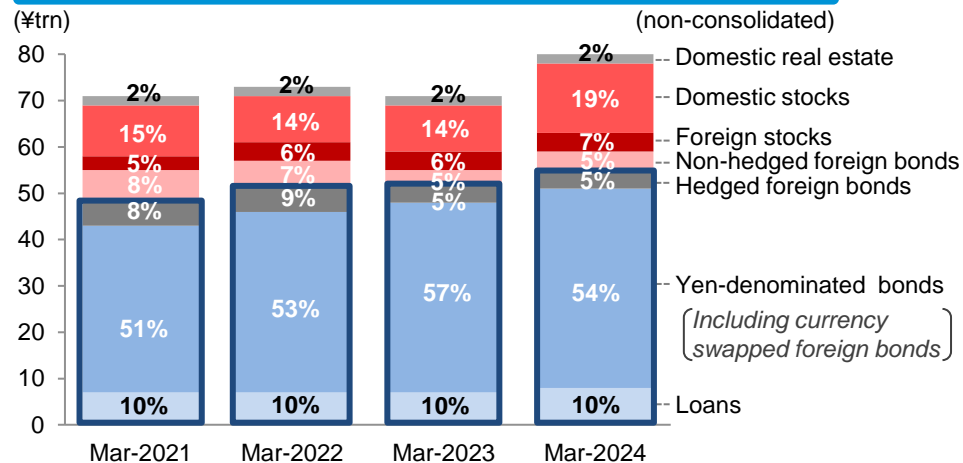
---

- In order to fulfill our long-term responsibility as an insurer and to return dividends to our policyholders, our general account portfolio mainly consists of yen-denominated interest-bearing assets, while adding diversification for stable returns
- We have been strengthening our risk control capabilities by maintaining a high-quality bond portfolio and utilizing derivative financial instruments for risk hedging

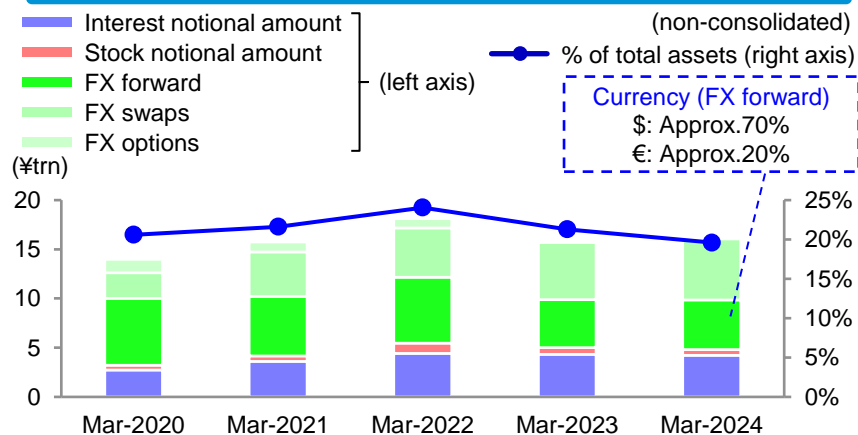
## General Account Portfolio Breakdown (Market Value)



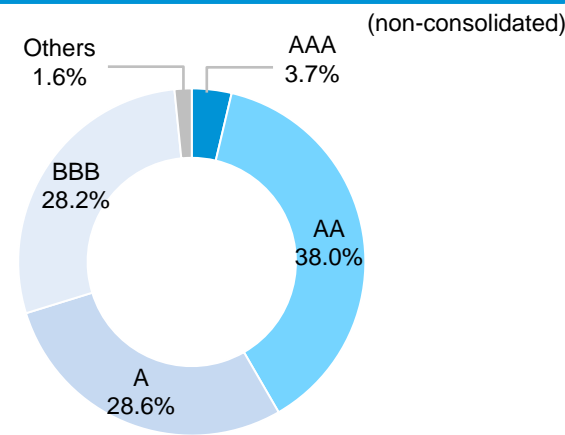
## General Account Portfolio Trend (Market Value)<sup>1</sup>



## Breakdown of Derivatives for Hedging Purposes



## Breakdown of Bonds by Credit Rating<sup>2,3</sup>



1. Breakdown calculated on a managerial accounting basis

2. As of March 31, 2024

3. Excluding investment in JGBs. These credit ratings are based on our internal credit rating policy: we decide the credit ratings in accordance with the following priority rule (but rule (b) only applies to the residents); (a) Long term ratings; (b) Lower ratings between R&I and JCR; (c) Lower ratings between S&P and Moody's; (d) Fitch rating if there's no ratings of R&I, JCR, S&P nor Moody's



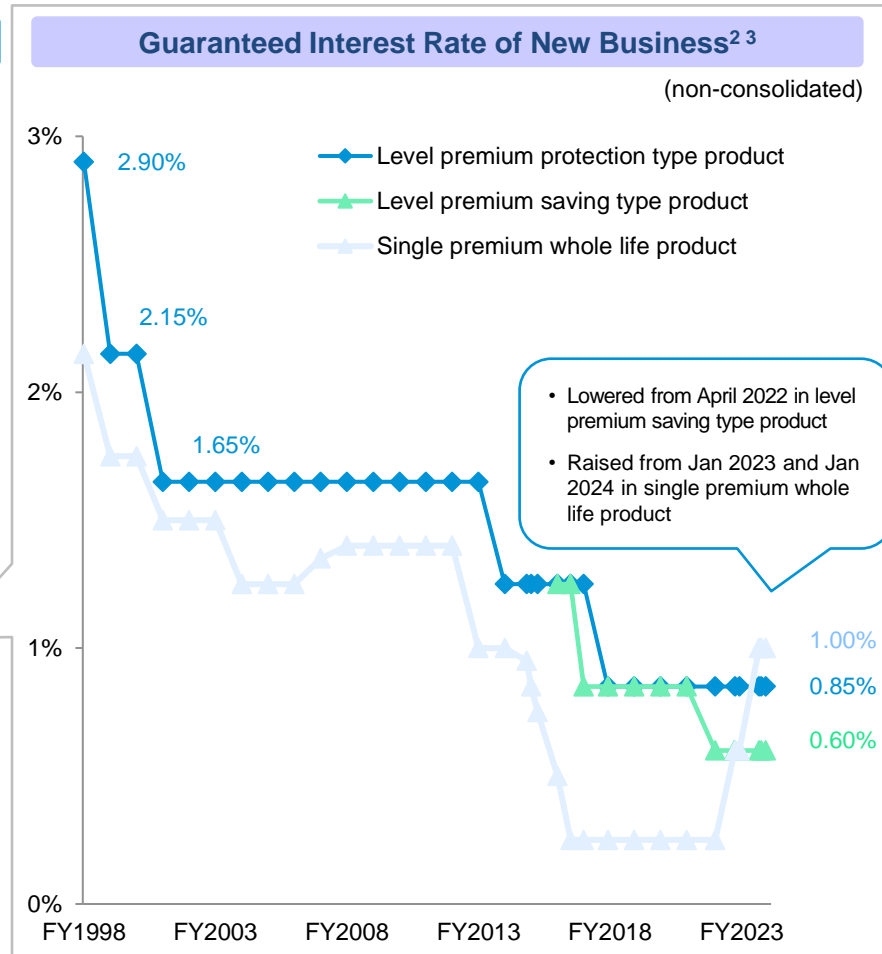
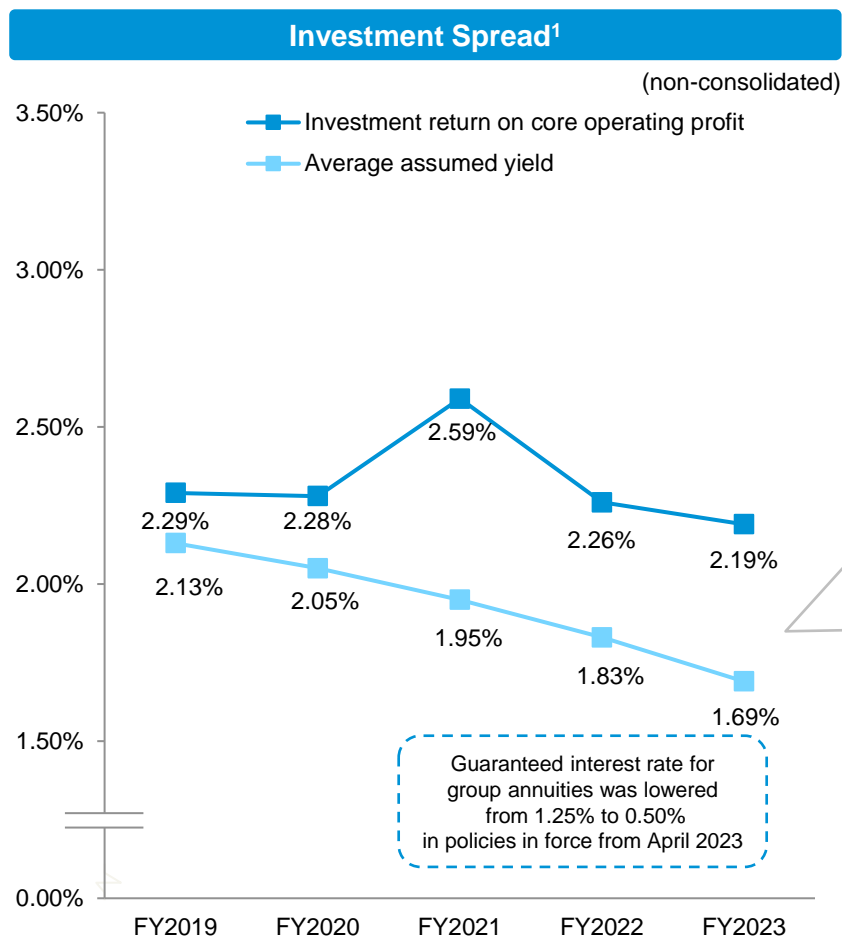
# Enhancing Investment Returns



- Considering market trends, we seek to implement flexible portfolio management to maintain long-term stable investment income.

		FY2023 Results	Investment Strategy by Asset Class (Policy in FY2024)	
Yen-denominated Interest Bearing Assets	Senior Loans	Flat	Flat	<ul style="list-style-type: none"> <li>■ Plan to conduct preferred lending considering spread levels, etc.</li> <li>■ Leverage “Nissay Green Loan”, which supports decarbonization</li> </ul>
	Domestic Bonds etc.	Increase	Increase	<ul style="list-style-type: none"> <li>■ Plan to invest in and replace ultra long-term JGBs while observing interest rate levels</li> <li>■ Plan to invest in currency-swapped yen-denominated foreign corporate bonds</li> </ul>
	Hedged Foreign Bonds	Flat	Increase	<ul style="list-style-type: none"> <li>■ Plan to selectively invest in foreign corporate bonds etc. which provides reasonable yield from a medium to long-term perspective</li> <li>■ Increase investment in floating rate assets resilient to hedging costs etc.</li> </ul>
Other Asset Classes	Non-hedged Foreign Bonds	Increase	Flat - Decrease	<ul style="list-style-type: none"> <li>■ Flexibly control overall exposure to FX risks while monitoring the levels of interest rates, FX rates</li> </ul>
	Domestic and Foreign Stocks etc.	Increase	Increase	<ul style="list-style-type: none"> <li>■ Plan to increase investment in foreign stocks and alternative assets</li> <li>■ Maintain exposure flat for domestic stocks</li> </ul>
	Domestic Real Estate	Flat	Flat	<ul style="list-style-type: none"> <li>■ Invest in renewals of existing properties and acquire new superior properties</li> </ul>

- We have historically achieved positive investments spread. The latest spread tightened due mainly to increased hedging costs
- In addition to our investment strategy, we have managed the guaranteed interest rate of some products to maintain a positive spread against the average assumed yield



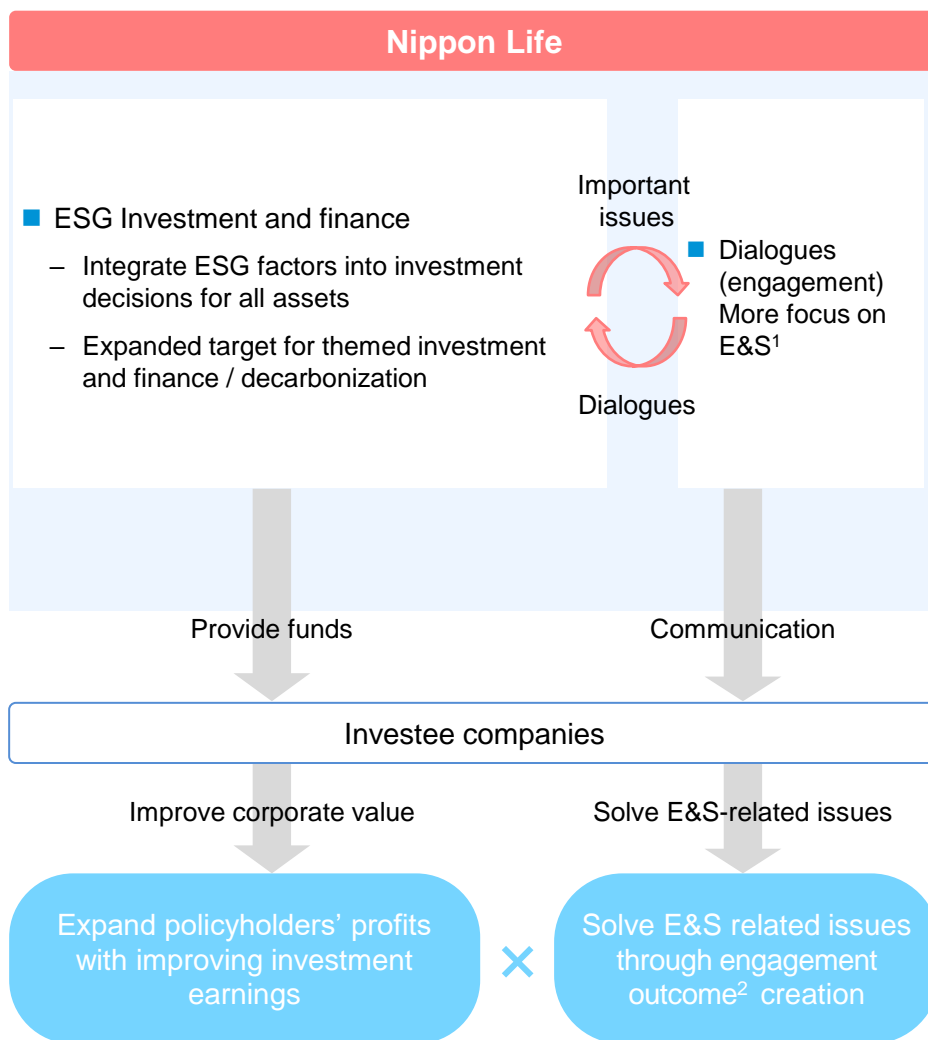
1. Investment spread (negative spread) = (investment return on core operating profit – average assumed yield) x general account policy reserves; non-consolidated basis  
 2. Until the end of FY2016, the guaranteed interest rate of level premium products were the same  
 3. For the period from FY2014 to FY2017, the average assumed interest rates with different coverage periods are shown

# Overview of Responsible Investment and Finance



Nippon Life  
Insurance Company

- Through ESG investment and finance and Dialogues more focus on E&S, we aim to expand policyholder's profits with improving investment earnings and solve E&S related issues of investees.
- We also participate in various initiatives such as PRI and TCFD.



## International initiatives

- Participation in various initiatives
  - Lead sponsor for annual PRI conference held in Oct 2023 (first insurance company globally)



Opinions



Information

We published "Enhancement of ESG investment and finance" on August 7, 2023 and constantly working on various initiatives

1. Environment and society  
2. Quantitative impact of our investment and finance on the environment and society

---

# Robust Capital Base under Disciplined ERM

---

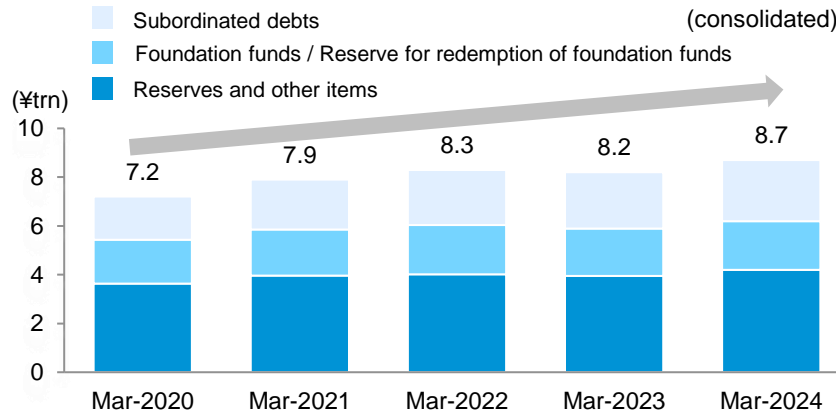
# Maintain Financial Soundness and High Credit Ratings



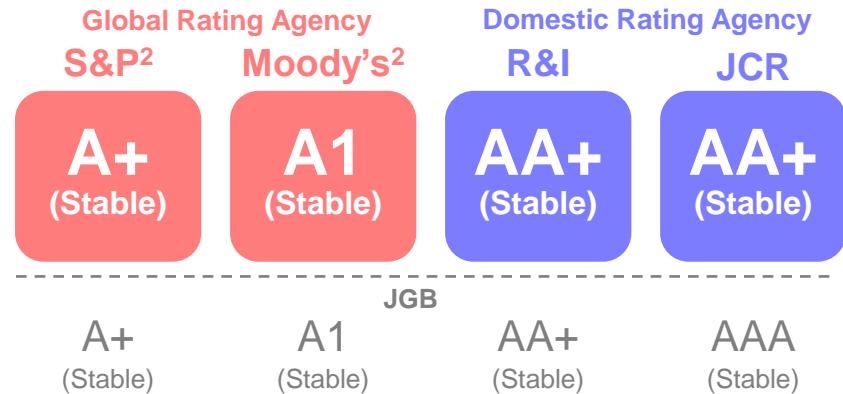
Nippon Life  
Insurance Company

- We have been accumulating our group capital consistently and we receive top-tier credit ratings from major rating agencies
- We will maintain our financial soundness and robust capital base under disciplined risk management
- Our domestic solvency margin ratio stands out among the domestic peers

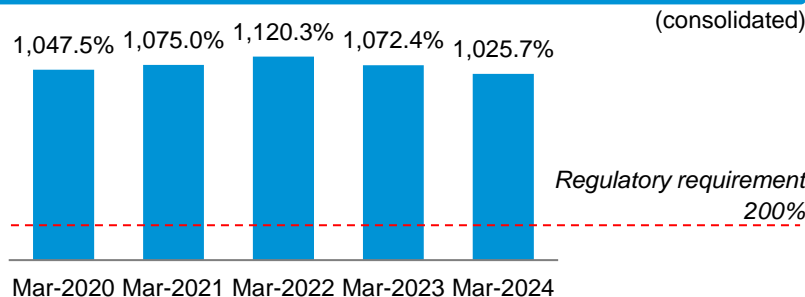
## Accumulation of Group Capital<sup>1</sup>



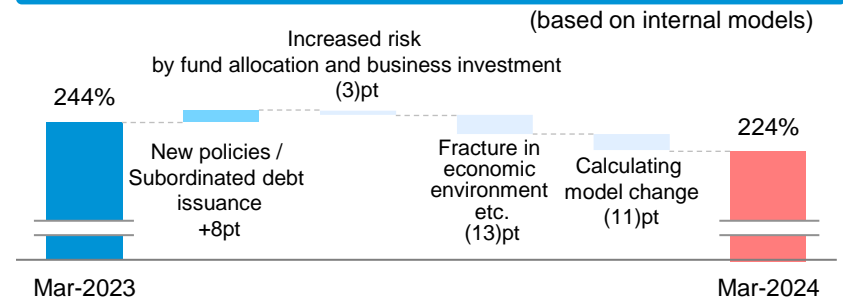
## Credit Ratings (As of June 30, 2024)



## Group Solvency Margin Ratio



## ESR<sup>3</sup>

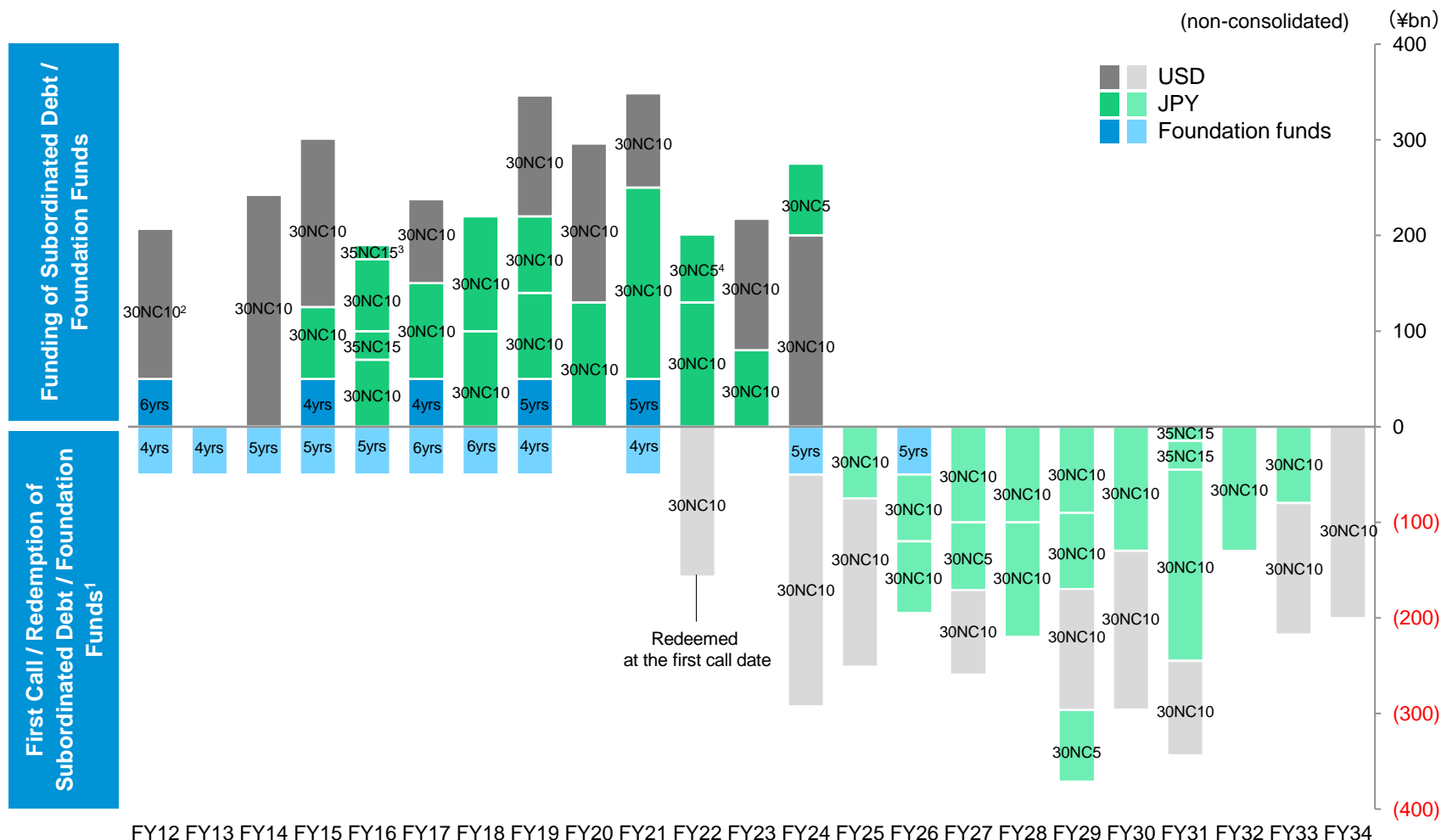


Source: Company disclosure

- Capital is the sum of foundation funds ("kikin"), reserves and other items (foundation funds and the reserve for redemption of foundation funds, which are included in the balance sheets in the net assets section, with the contingency reserve and reserve for price fluctuations included in the liabilities section) and subordinated debt
- Our Stand-alone Credit profile (SACP) by S&P has shown improvement to aa- from a+ in March 2024, while the issuer rating by S&P remained the same at A+ due to the sovereign sealing. Moody's Preliminary Standalone Outcome maintained Aa3 before Score Adj. and A1 under the sovereign sealing
- Group basis. Economic value-based solvency ratios measure the solvency of an insurance company based on the economic value of its assets and liabilities and can be valuable in assessing an insurance company's specific risk profile. We have voluntarily adopted an internal economic value-based solvency framework, taking into consideration the Risk-based Global Insurance Capital Standard, a framework for IAIGs, which is currently under development by the IAIS, to measure available capital based on current observable market rates, and disclose our internal economic value-based solvency ratio, which we refer to as ESR, as a supplement to our solvency margin ratio. ESR is equal to the sum of our surplus, which is the difference between the market value of our assets and the market value of our liabilities, and our external financing capital, which is comprised of outstanding foundation funds and subordinated bonds, divided by our integrated risk amount, which we define as the estimated amount of capital necessary to cover all of our quantifiable risk, including insurance underwriting risk, market risk, credit risk and operational risk, subject to certain adjustments for a one-year period, to a 99.5% confidence level. The internal model we have developed and use to calculate ESR on a voluntary basis to monitor our financial soundness has not been approved by the FSA, and our ESR framework may differ from, and accordingly may not be directly comparable to, any standardized model adopted in Japan or the economic value-based solvency frameworks currently or ultimately adopted by other similar insurance companies in Japan. We review our ESR framework on an ongoing basis and may from time to time revise our ESR framework based on our own assessment of the appropriateness of the current framework or based on discussions with the FSA or IAIS

# Funding and Redemption of Subordinated Debt / Foundation Funds

- We have balanced and diversified our funding sources, with redemptions spread across 10 years at different timings and different currencies
- In our debt and foundation fund management record, we have exercised the option of early redemption at the first call/reset opportunity



1. Based on the assumption that subordinated debts will be redeemed on the first call date, which is undecided at this point
2. 30-year bond with 10-year prepayment clause
3. 35-year bond with 15-year prepayment clause
4. 30-year bond with 5-year prepayment clause