



Nippon Life
Insurance Company

Investor Presentation

1H FY2023

Nippon Life Insurance Company
January 2024

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Overview of Nippon Life Group

Highlights of Our Strengths

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

Appendix A Financial Information

Appendix B Supplemental Information



Overview of Nippon Life Group

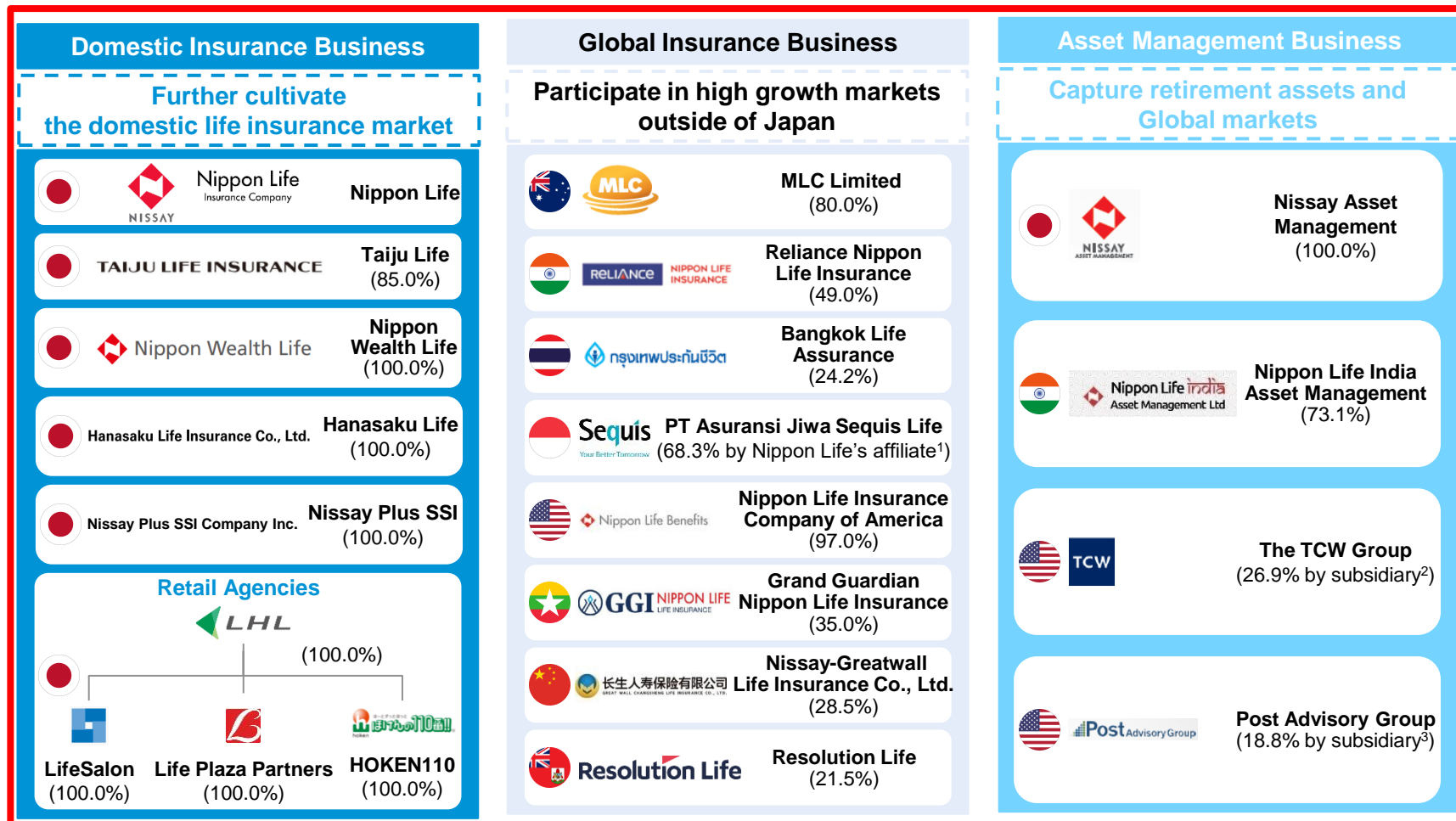
Overview of Nippon Life Group



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 December 31, 2023

1. 68.34% held by Nippon Life's equity-method affiliate PT Sequis, in which Nippon Life holds 29.26% of the total voting rights. 0.01% is held directly by Nippon Life
2. 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
3. An equity-method affiliate held by Nippon Life's fully owned subsidiary NLI US Investments

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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
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I

Stable Performance
in the Domestic Insurance Market

II

Diversified Business Profile
with Global Business and AM Business

III

High Investment Capabilities
with Prudent and Flexible ALM Strategy

IV

Robust Capital Base under Disciplined ERM

Stable Performance in the Domestic Insurance Market

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



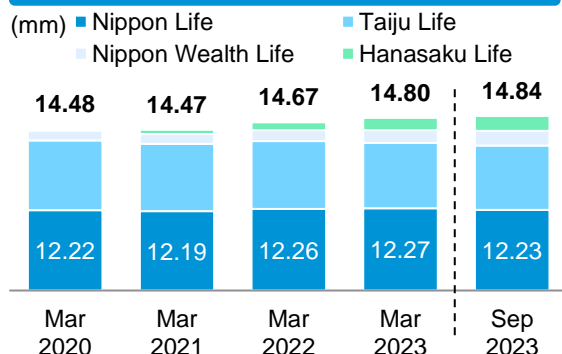
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- Our core business is the sale of profitable individual insurance products through our sales representative channel, while successfully diversifying our product portfolio and distribution channel

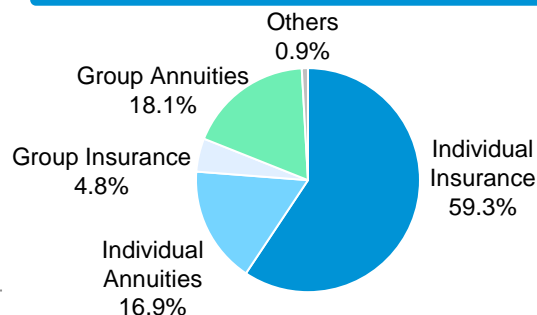
Key Figures

Premium income (Consolidated) ⁶	¥6,373.5bn (FY2022)
Total assets (Consolidated)	¥92,367.9bn (Sep-2023)
Solvency margin ratio (Consolidated)	1,034.9% (Sep-2023)
Number of customers ⁷	14.84mm (Sep-2023)
Number of sales representatives ⁸	57,631 (Mar-2023)

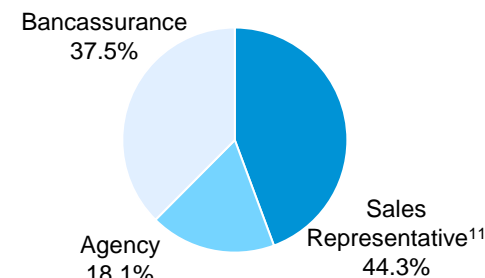
Number of Customers (Japan Total)



Business Mix (Premium Income by Product, FY2022)⁹



Channel Mix – Individual (AP of New Policies by Channel, FY2022)¹⁰



Source: Company disclosures and the Life Insurance Association of Japan
Note: FY2022 represents the fiscal year ended March 31, 2023

- Excluding Japan Post Insurance
- Nippon Life Group represents the sum of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life
- Dai-ichi Life Group represents the sum of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life
- Prudential Financial Group represents the sum of Prudential Life, Gibraltar Life and Prudential Gibraltar Financial Life
- Sumitomo Life represents the sum of Sumitomo Life and Medicare Life

- Revenues from insurance and reinsurance premiums
- Sum of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life
- Sum of Nippon Life and Taiju Life
- Sum of Nippon Life, Taiju Life, Nippon Wealth Life and Hanasaku Life
- 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
- 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

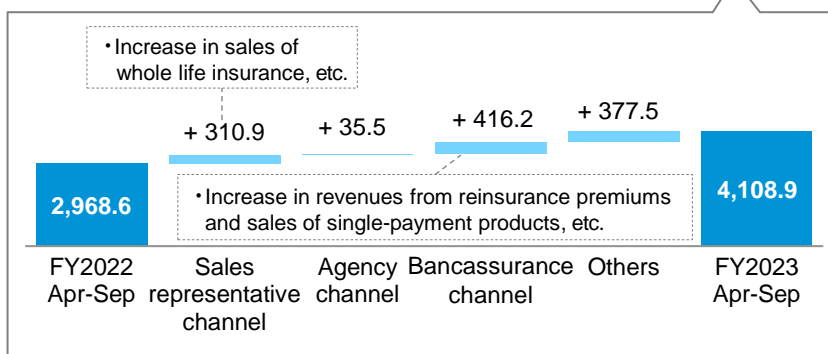
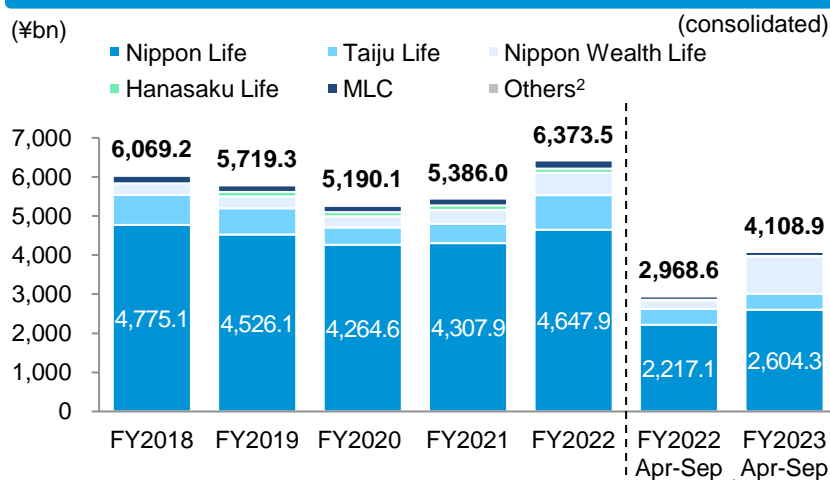
Premium Income and Interest and Dividends Income



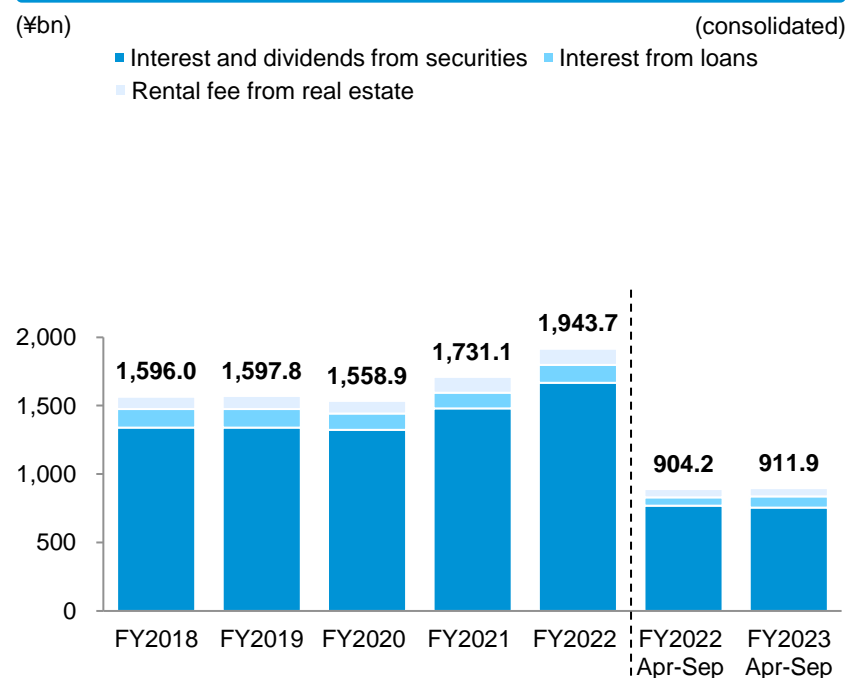
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- Our premium income in 1H FY2023 increased due to increase sales of single-premium products in sales representative channel and bancassurance channel
- Interest and dividends income increased due to the gain on cancellation of investment trusts

Premium Income¹



Interest and Dividends Income



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

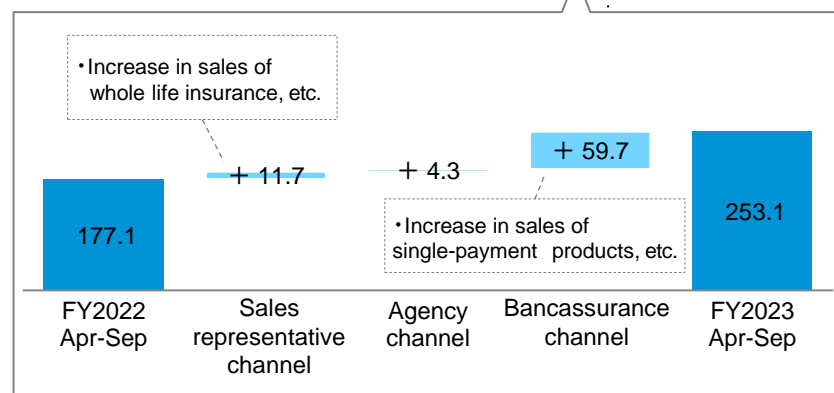
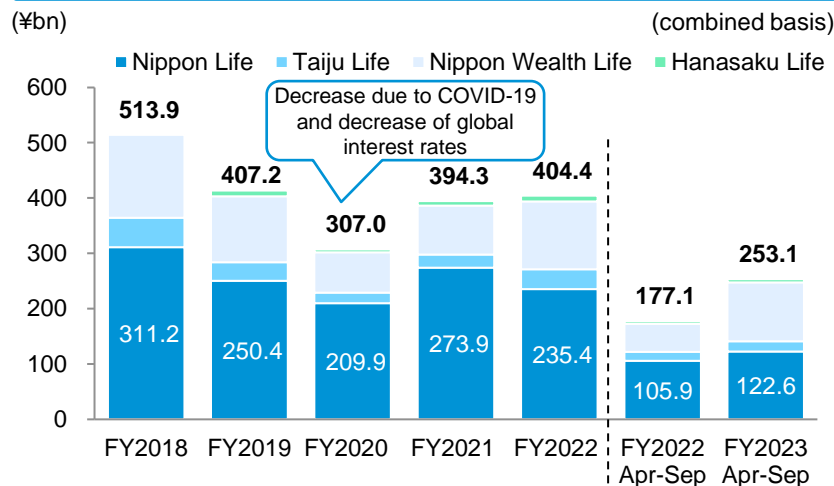
Annualized Premiums from Insurance Policies



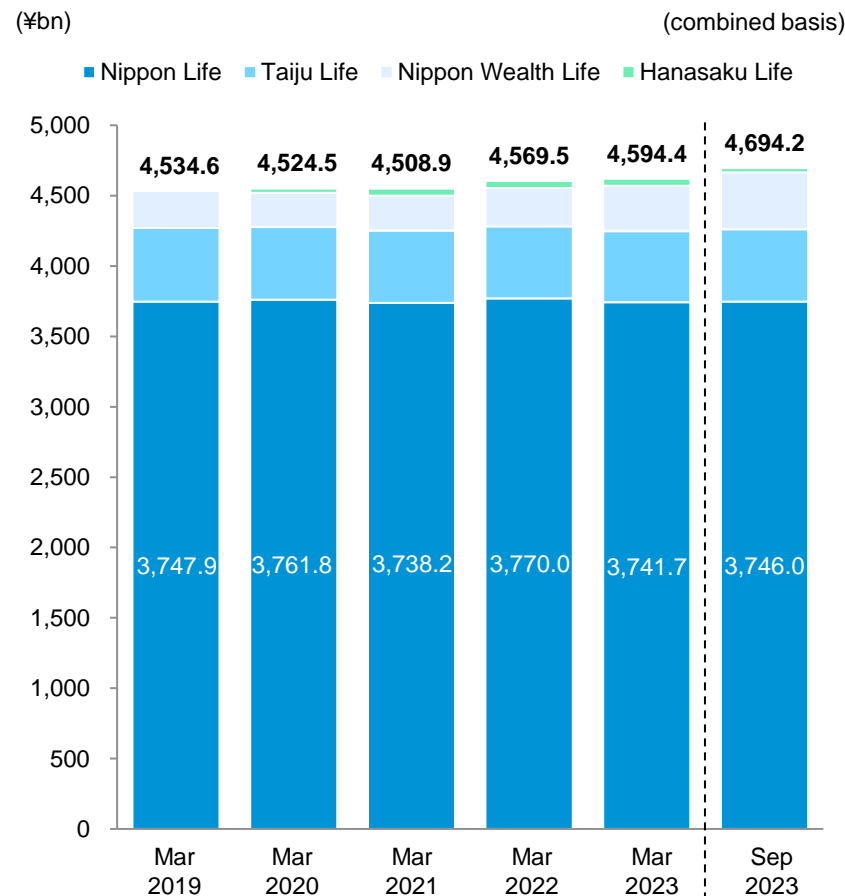
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- Our annualized premiums from new policies have steadily recovered close to pre-COVID-19 levels in FY2022
- Our annualized premiums from policies in force have been stable and the latest result (as of the end of September 2023) was the highest compared to the last 5 fiscal years

Annualized Premiums from New Policies¹



Annualized Premiums from Policies in Force¹



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

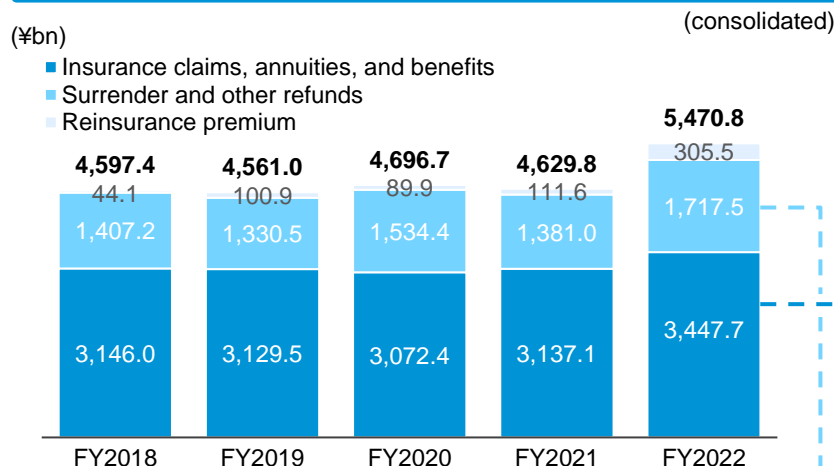
Benefit Payout and Impact of COVID-19



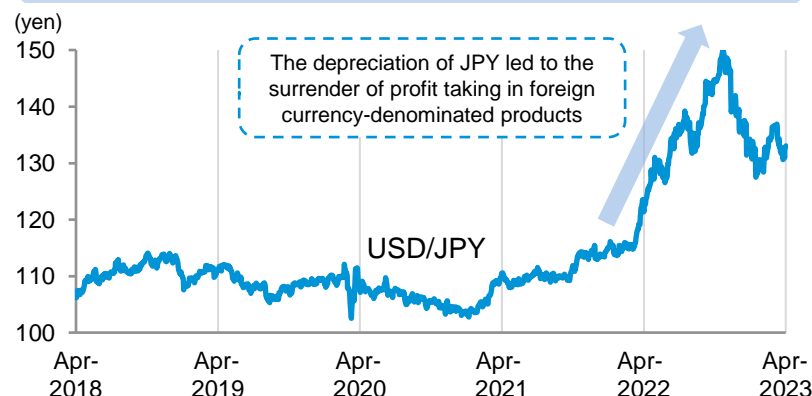
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Insurance Company

- Benefit payout soared in FY2022 mainly due to payment related to COVID-19; but as COVID-19 was downgraded to “common infections disease” from May 8, 2023, we no longer cover “deemed hospitalization”¹ arrangements going forward
- COVID-19 related payments in 1H FY2023 have fallen sharply compared to 1H FY2022

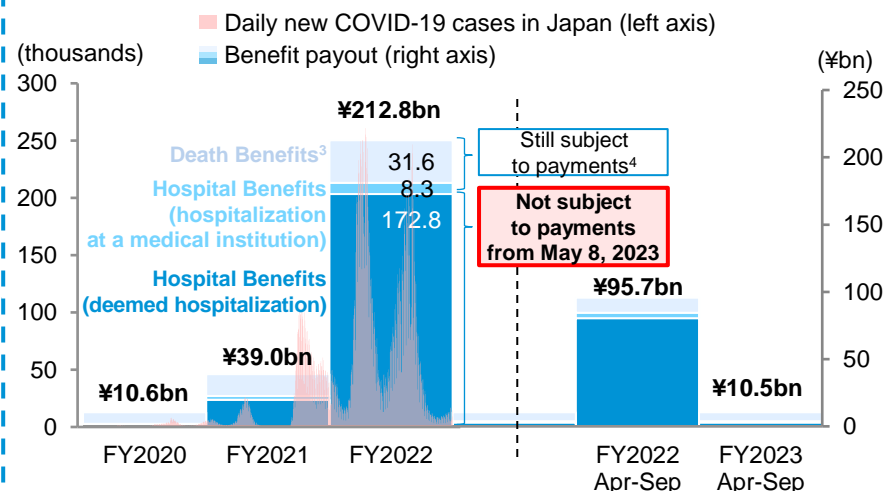
Benefit Payout



Surrender due to the depreciation of JPY



Payment due to COVID-19²



Scope of Hospitalization Benefit Payouts

		Date of positive diagnosis		
		Until Sep 25, 2022	From Sep 26, 2022	From May 8, 2023
Hospitalization at a medical institution		○ Covered	○ Covered	○ Covered
	Medical treatment at home or lodging (deemed hospitalization)	○ Covered	○ Covered	×
	With high risk of severity ⁵	○ Covered	○ Covered	×
	Other than the above	○ Covered	×	×

(Reference)

For corporate insurance, we announced that the policies written/renewed on or after Apr 1, 2024 will not cover COVID-19-related death or disability

Source: FactSet, Ministry of Health, Labour and Welfare

1. We deemed COVID-19 patients recovering at homes equivalent to those who have been hospitalized

2. Nippon Life, Taiju Life, Nippon Wealth Life & Hanasaku Life only

3. Total payments for death insurance claims related to COVID-19, accidental death rider, etc.

4. Some of the death insurance claims are not eligible for payment because they are handled differently by the group companies

5. Those who are 65 years of age or older, or who require hospitalization, or have a risk of severity and need treatment of COVID-19 medicine or administration of oxygen, or pregnant women

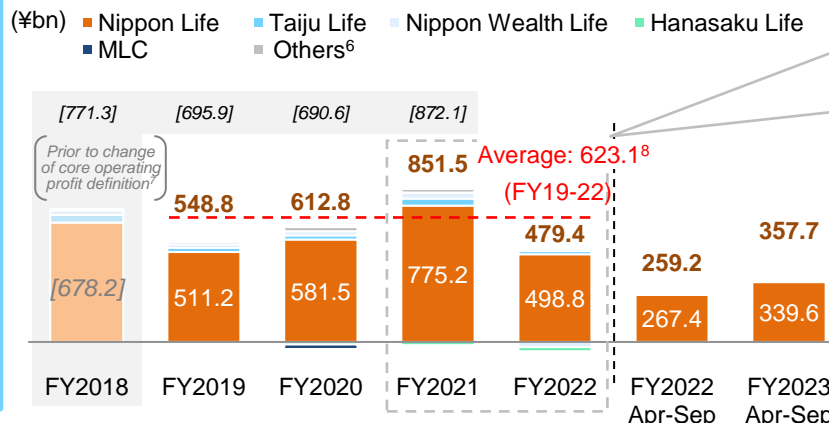
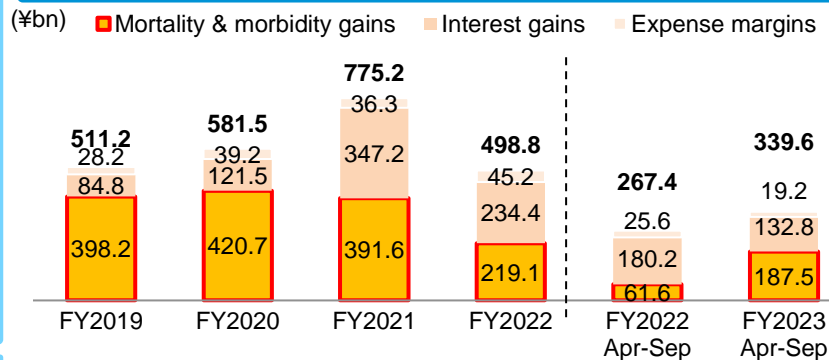
Core Operating Profit



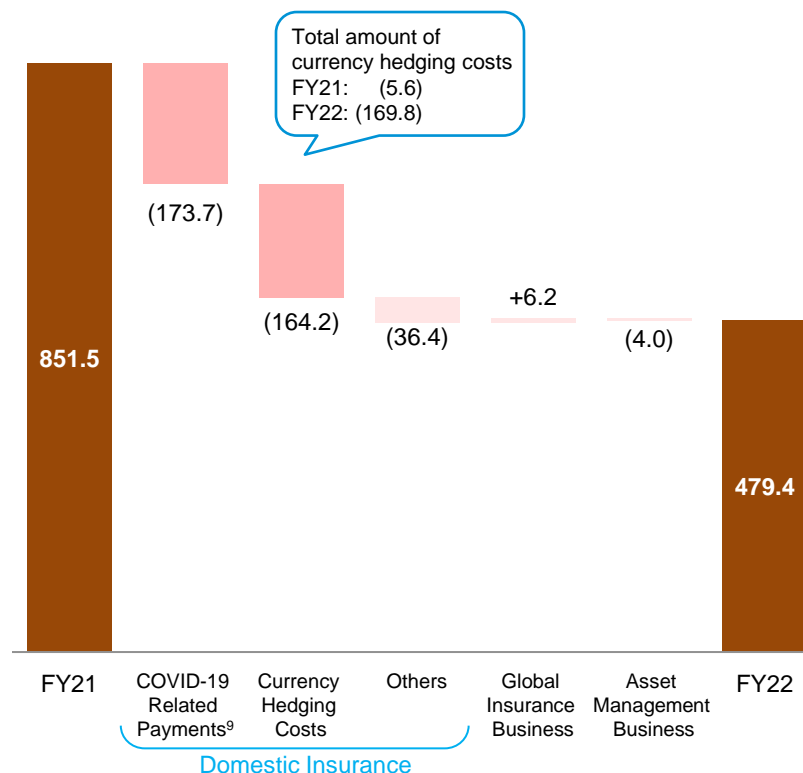
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- Mortality & morbidity gains has been a major part of Nippon Life's core operating profit
- Core operating profit in 1H FY2023 increased mainly due to increase in mortality & morbidity gains because COVID-19 related payments have fallen sharply compared to 1H FY2022

Core Operating Profit^{1,2,3}



Inc. / Dec. Factors (FY2022 vs. FY2021)



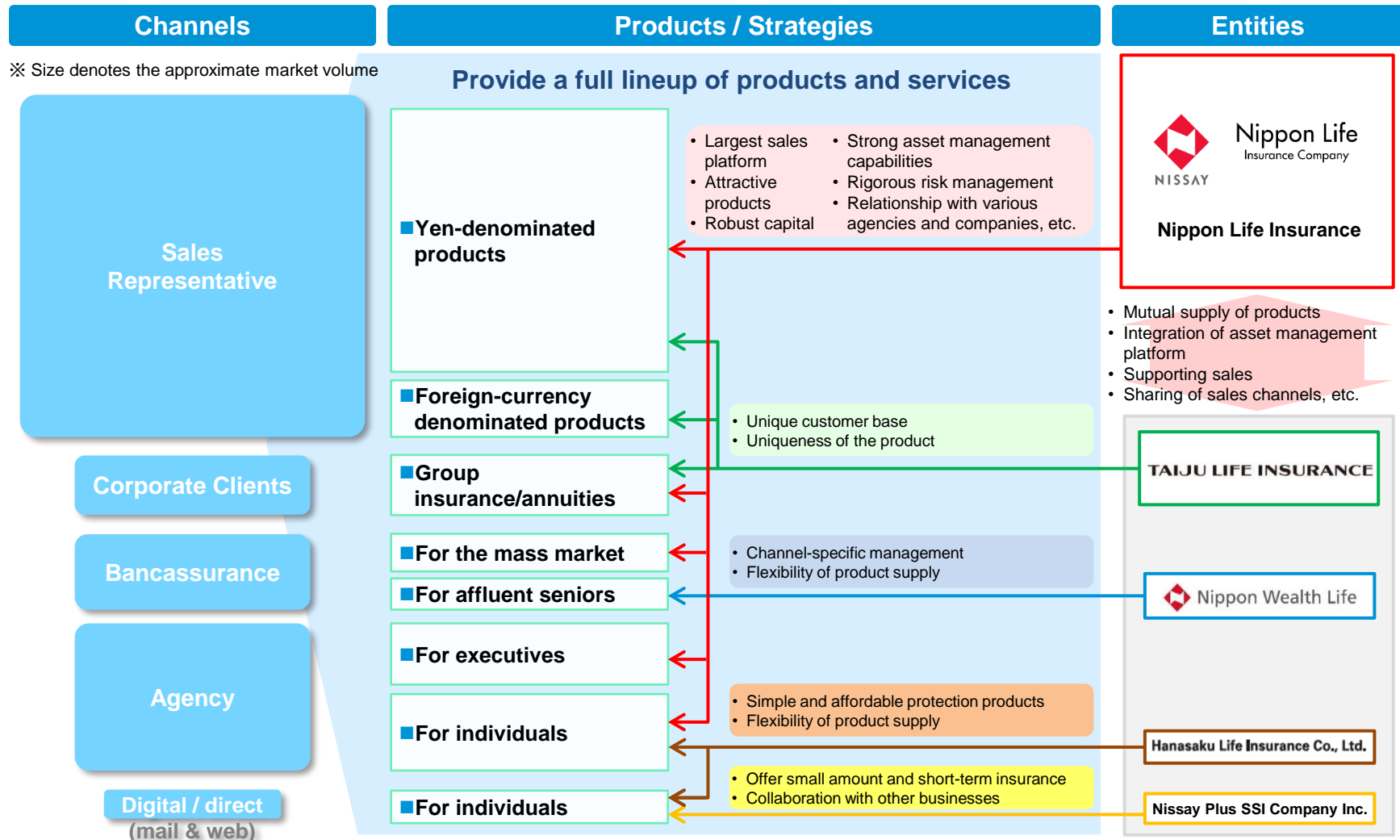
1. New calculation method has been applied since FY2022 and this change has been reflected to other fiscal years unless noted otherwise
2. Core operating profit = Mortality & morbidity gains + Interest gains + Expense margins
3. The effect of interest rate and exchange rate fluctuation in the foreign 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. The main changes in the definition of core operating profit are (1) the inclusion of hedging costs related to exchange rates, (2) the exclusion of gains/losses on the surrender of investment trusts, and (3) the exclusion of exchange rate fluctuations from securities redemption gains/losses
8. Average is calculated based on group core operating profits from FY2019 to FY2022
9. Payment 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



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- 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 address the diverse needs of a wide range of customers on a group-wide basis



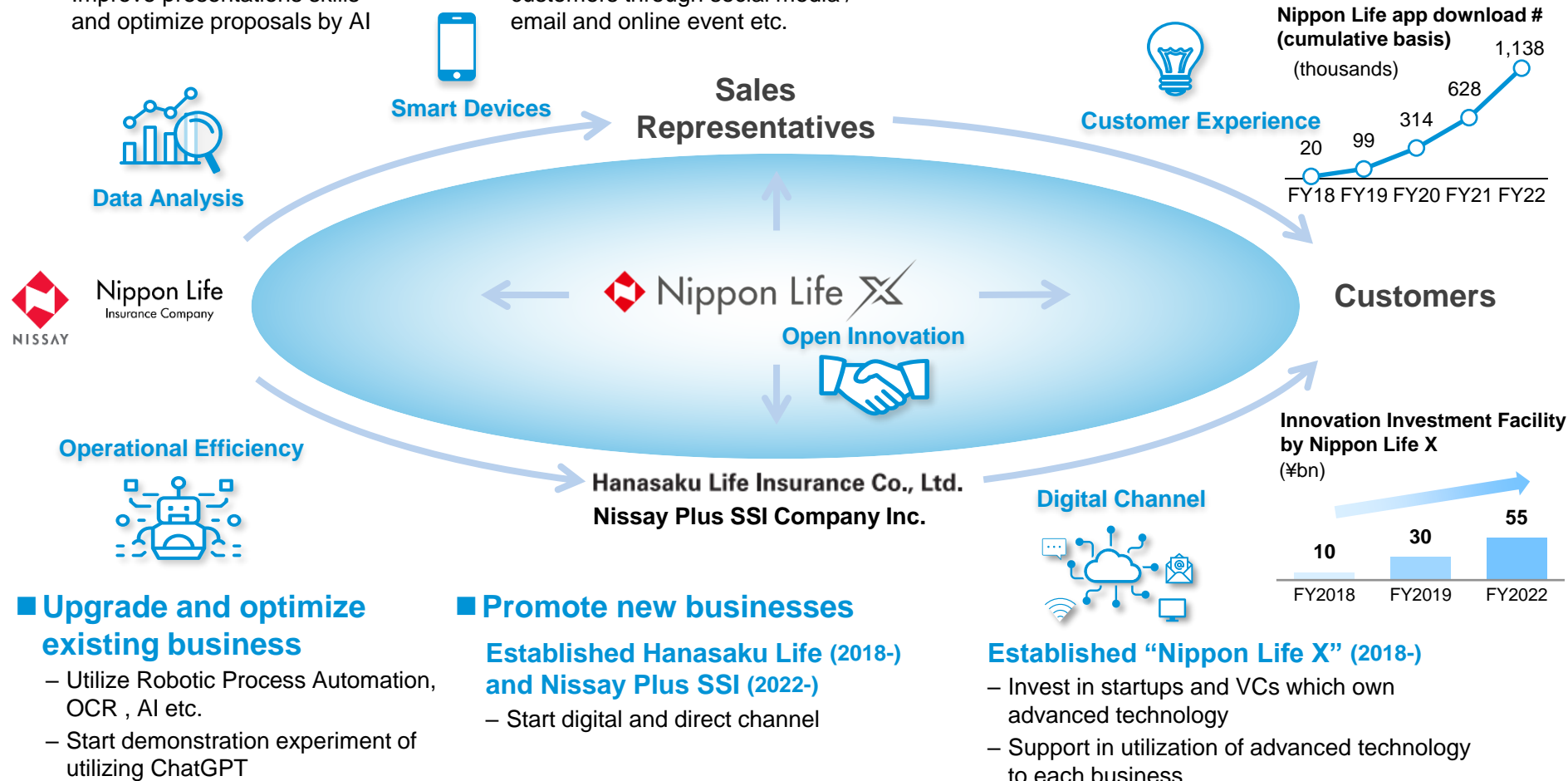
■ We are working on digitalization as a group to improve business productivity and to meet customers' digital needs

■ 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.

■ Improve convenience

- Expand online procedures
- Apply AI to customer services

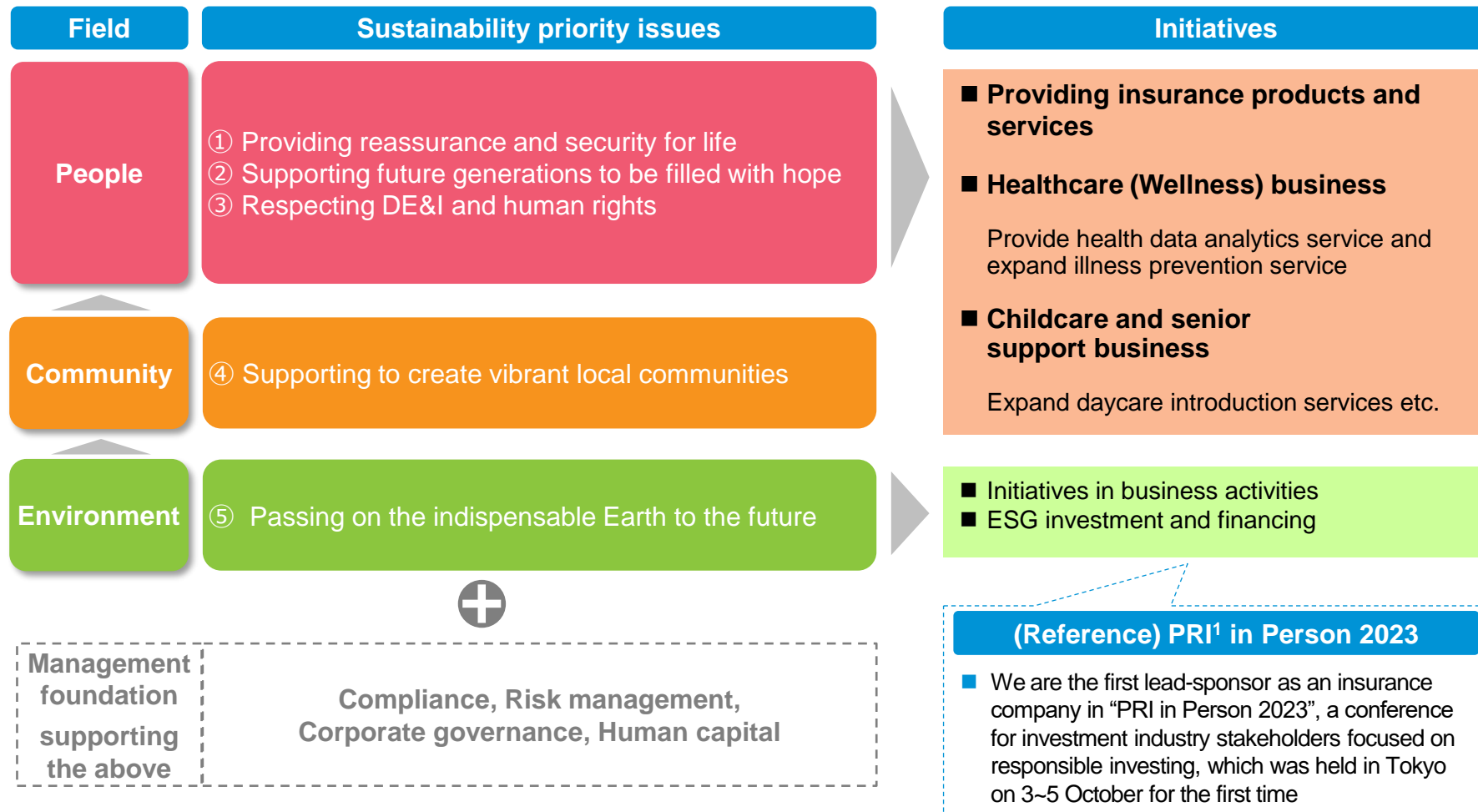


Sustainability Management of Nippon Life Group



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- 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



Diversified Business Profile with Global Business and AM Business

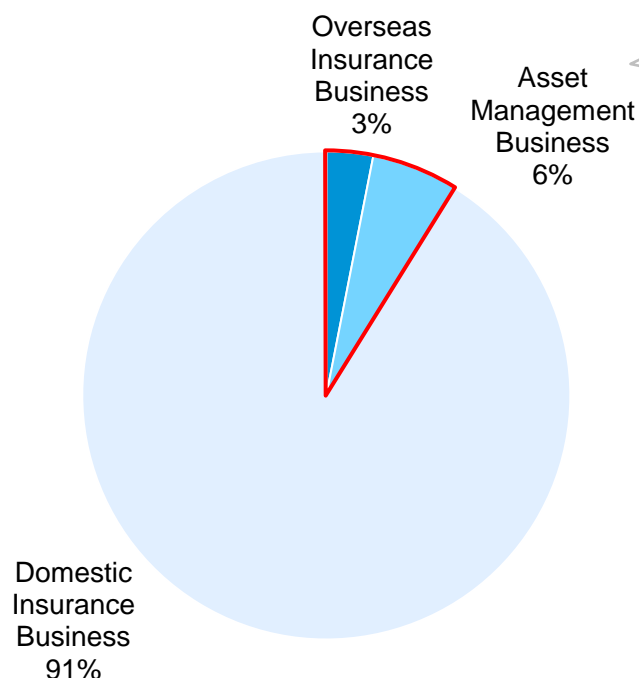
Global and Asset Management Businesses



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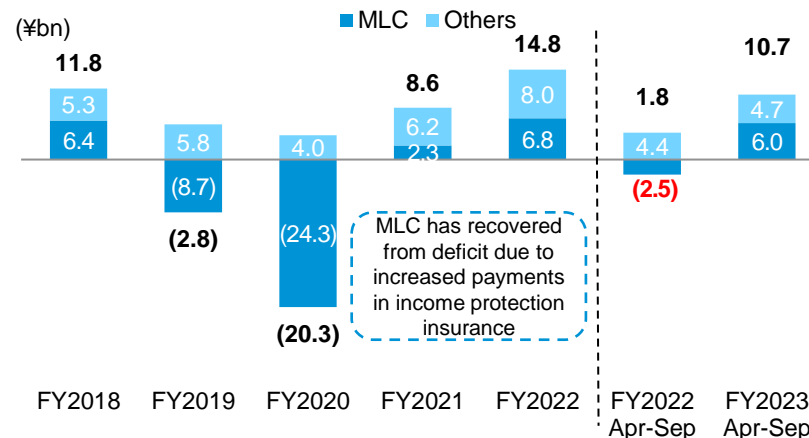
- The global business and asset management business are key drivers of our revenue source diversification, although their contribution to entire core operating profit is still small
- We continue to pursue additional revenue contribution from growing global market and asset management space

Group Core Operating Profit¹

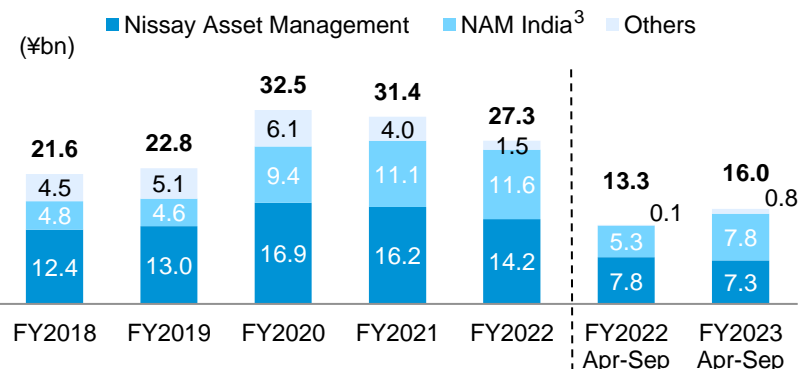


FY2022

Global Insurance Business (Group Core Operating Profit²)



Asset Management Business (Group Core Operating Profit²)



- 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
- Group core operating profit represents 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
- Nippon Life India Asset Management

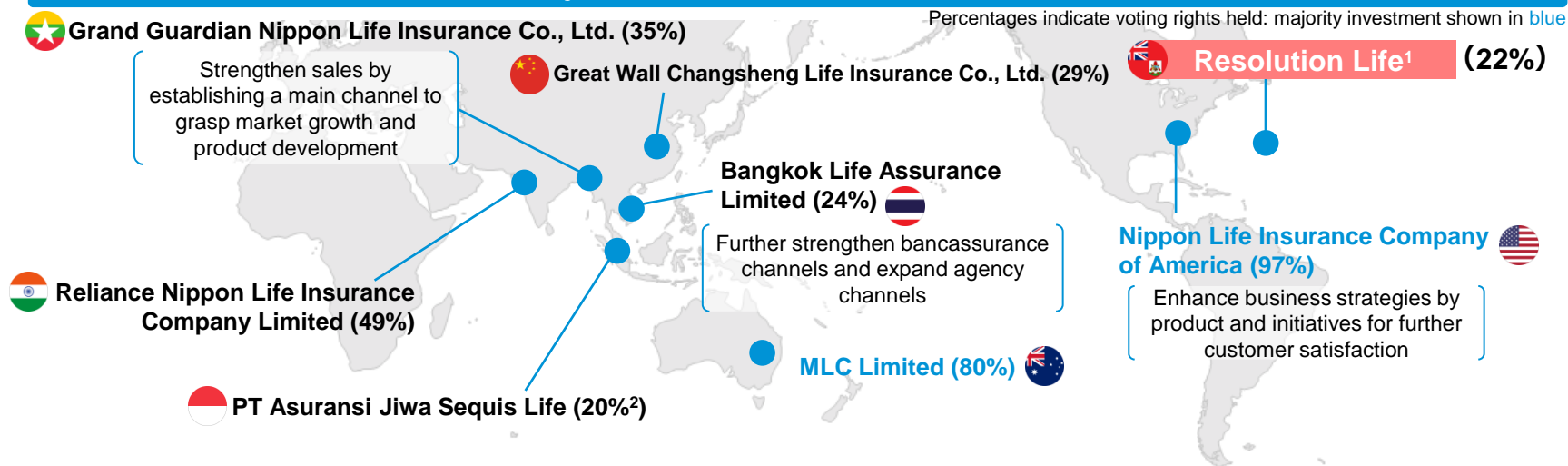
Strategies of Global Insurance Business



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- 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

Major Global 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

Capture active and growing market with global liability management platforms

- Additional investment has been completed; Resolution Life joined our group as its consequence in October 2023.
- New projects expected with additional capital
- Improved investment capabilities through collaboration with Blackstone

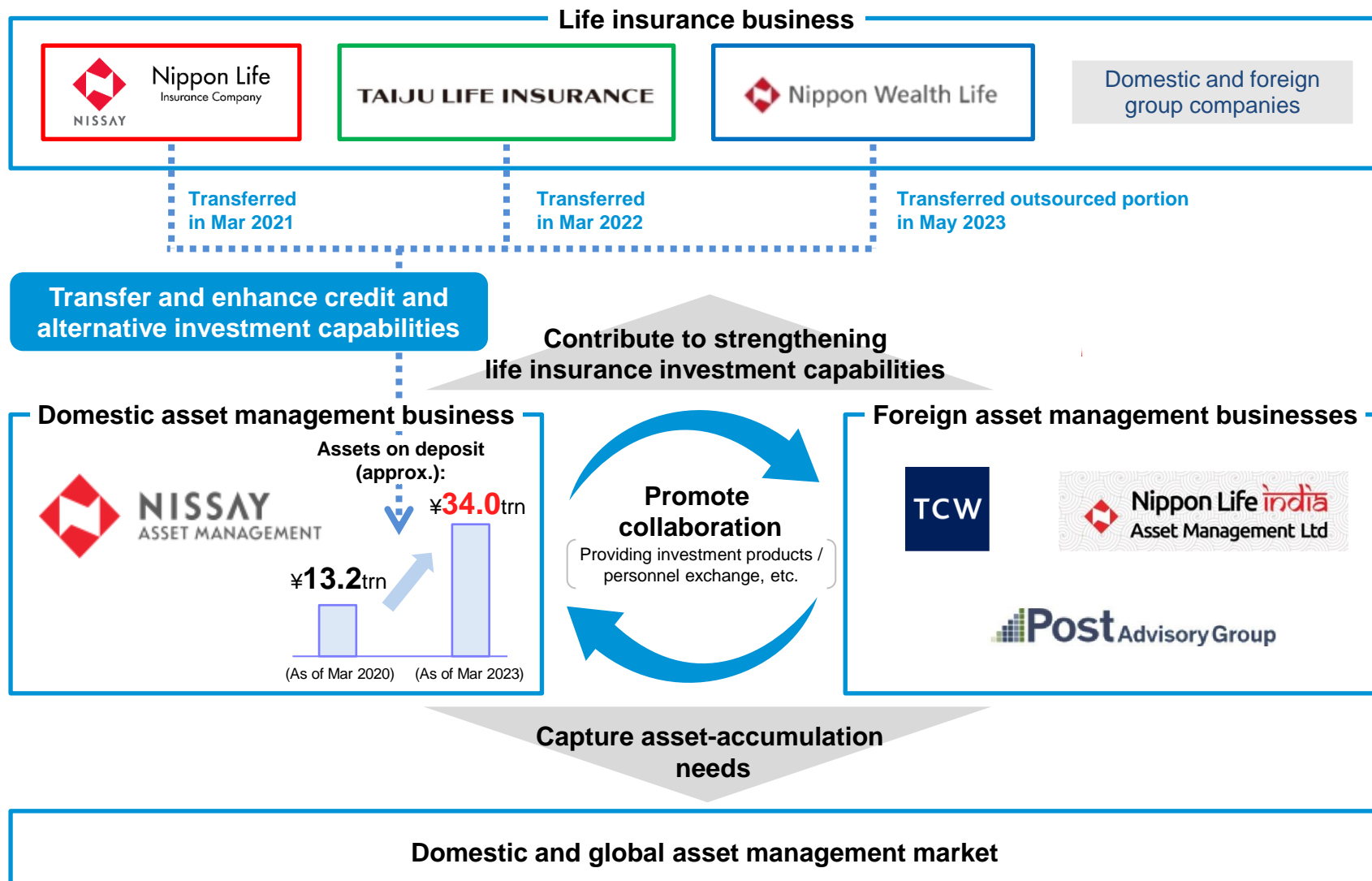
1. Resolution Life is a global insurance group focusing on the acquisition and management of life insurance policies, which is expected to become affiliate after additional investment
2. The percentage of voting rights shown is that held by our equity-method affiliate, PT Sequis

Strategies of Asset Management Business



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- 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



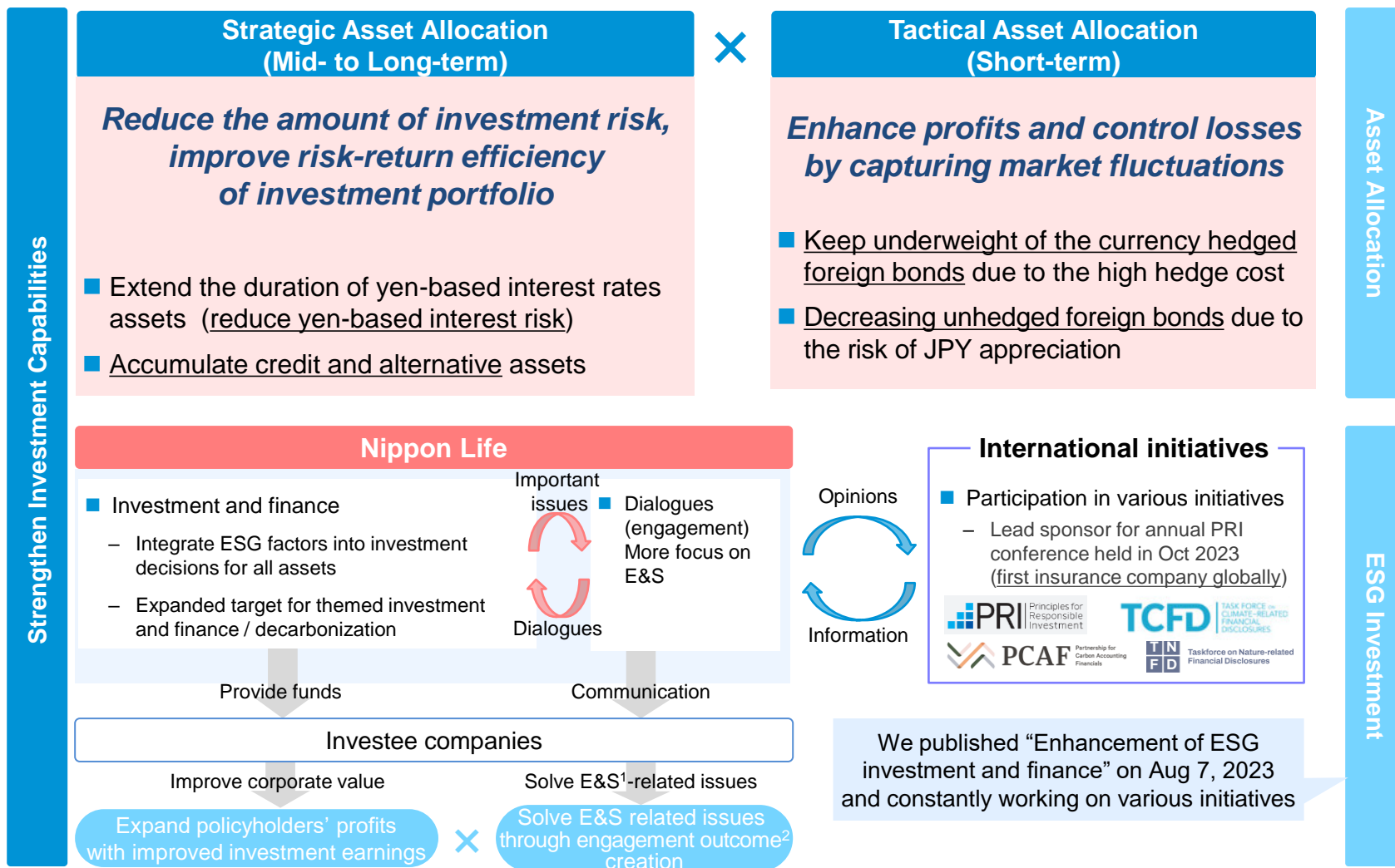
High Investment Capabilities with Prudent and Flexible ALM Strategy

Overview of Strengthening Investment Capabilities



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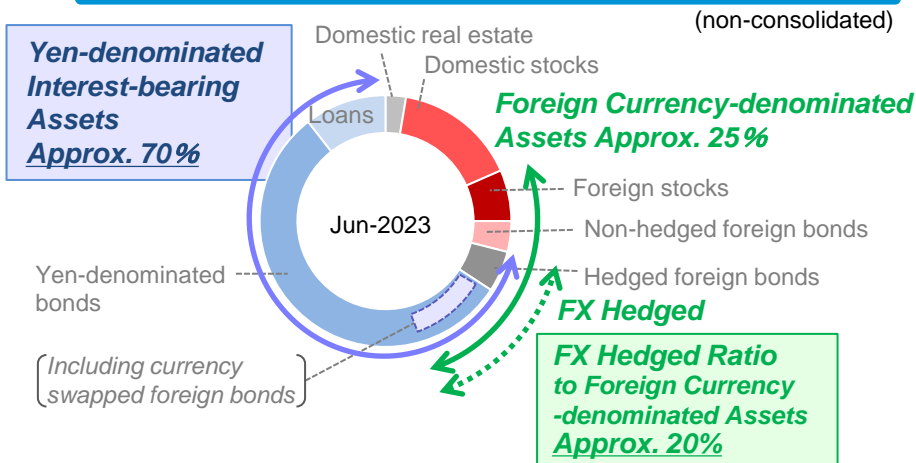
- We are flexible on asset allocation and are focusing on strengthening investment capabilities in order to maximize risk-return efficiency
- Strengthening ESG investment and finance is also what we are working on.
We have started more detailed disclosures on engagement outcomes this year.



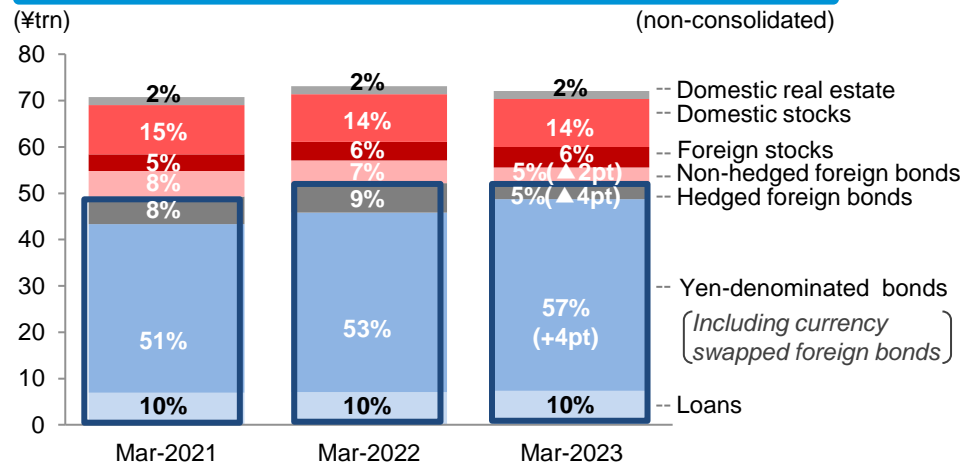
1. Environment and society
2. Quantitative impact of our investment and finance on the environment and society

- 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

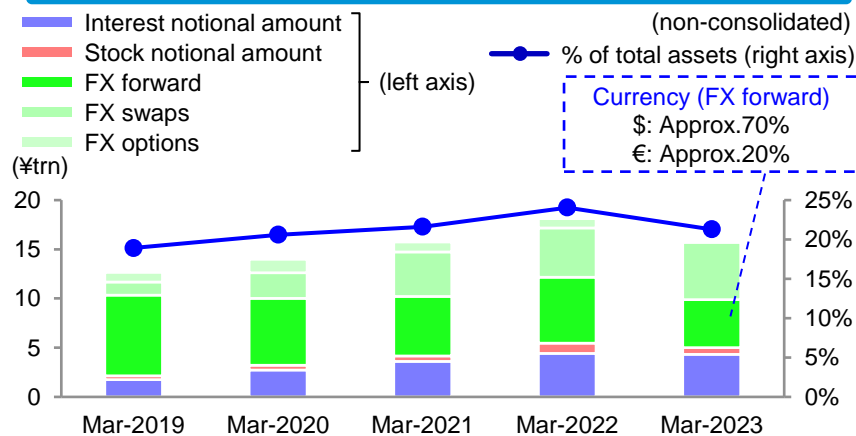
General Account Portfolio Breakdown (Market Value)



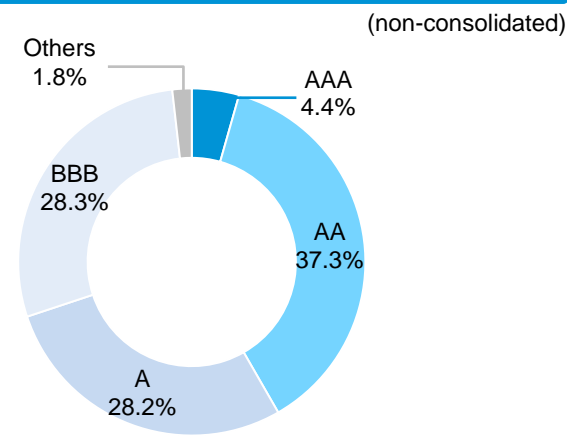
General Account Portfolio Trend (Market Value)¹



Breakdown of Derivatives for Hedging Purposes



Breakdown of Bonds by Credit Rating^{2,3}



1. Breakdown calculated on a managerial accounting basis

2. As of March 31, 2023

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



- Implement flexible portfolio management considering market trends in anticipation that hedging costs will remain high; investment in and replacement of ultra long-term JGBs corresponding to interest rate levels, investment in foreign corporate bonds which is swapped to yen taking into account the hedge cost and yen-dominated corporate bonds

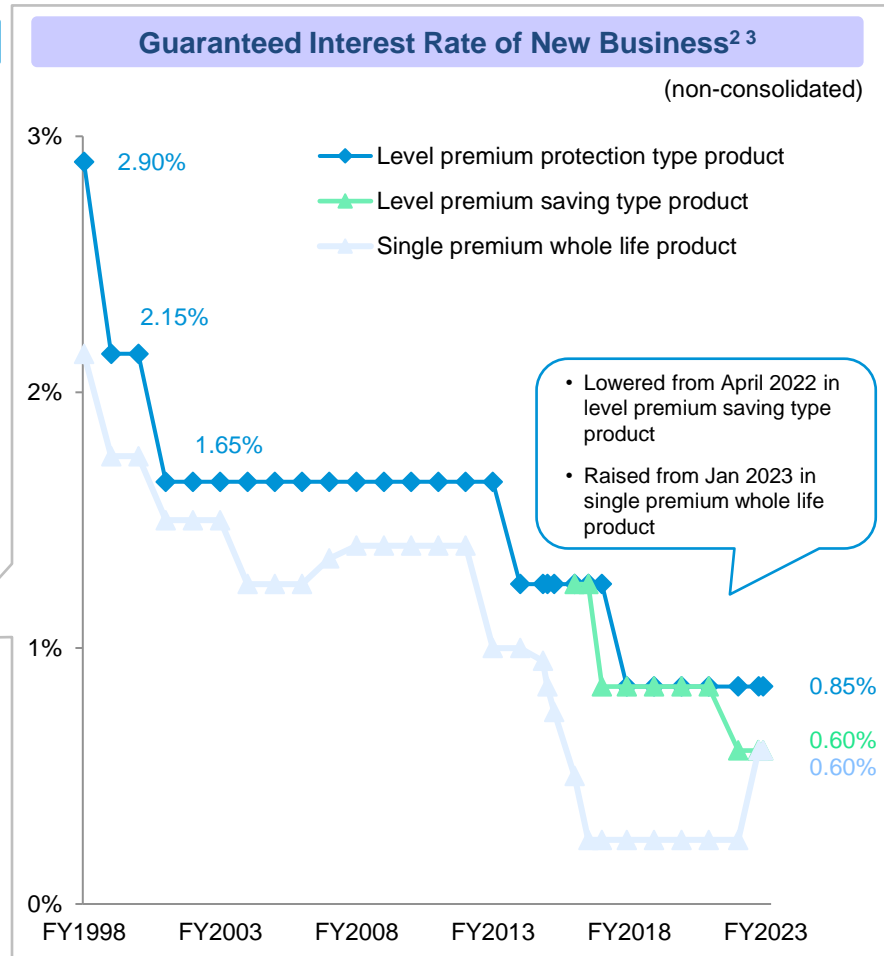
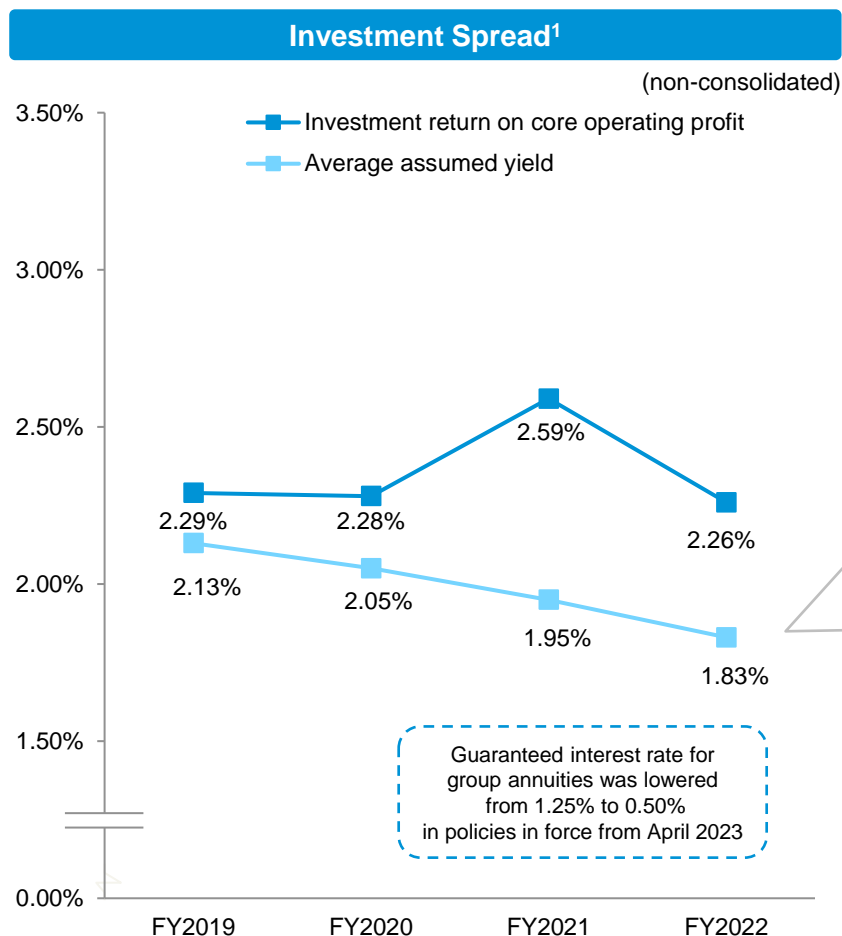
		FY2022 Results	Investment Strategy by Asset Class (Policy in FY2023)	
Yen-denominated Interest Bearing Assets	Senior Loans	Increase	Flat	<ul style="list-style-type: none"> ■ Plan to conduct preferred lending considering spread levels, etc. ■ Leverage “Nissay Green Loan”, which supports decarbonization
	Domestic Bonds etc.	Increase	Increase	<ul style="list-style-type: none"> ■ Plan to invest in ultra long-term JGBs while observing interest rate levels ■ Plan to secure investment yield through investment in currency swapped foreign corporate bonds and yen-denominated corporate bonds
	Hedged Foreign Bonds	Decrease	Flat	<ul style="list-style-type: none"> ■ While selectively sell low yield bonds, plan to selectively invest in foreign corporate bonds etc. which provides reasonable yield from a medium to long-term perspective
Other Asset Classes	Non-hedged Foreign Bonds	Decrease	Flat - Decrease	<ul style="list-style-type: none"> ■ Flexibly control overall exposure to FX risks while monitoring the levels of interest rates and FX rates
	Domestic and Foreign Stocks etc.	Increase	Increase	<ul style="list-style-type: none"> ■ Plan to increase investment in foreign stocks and alternative assets ■ Maintain exposure flat for domestic stocks
	Domestic Real Estate	Flat	Flat	<ul style="list-style-type: none"> ■ Invest in renewals of existing properties and acquire new superior properties

Securing Positive Yields



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



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

Robust Capital Base under Disciplined ERM

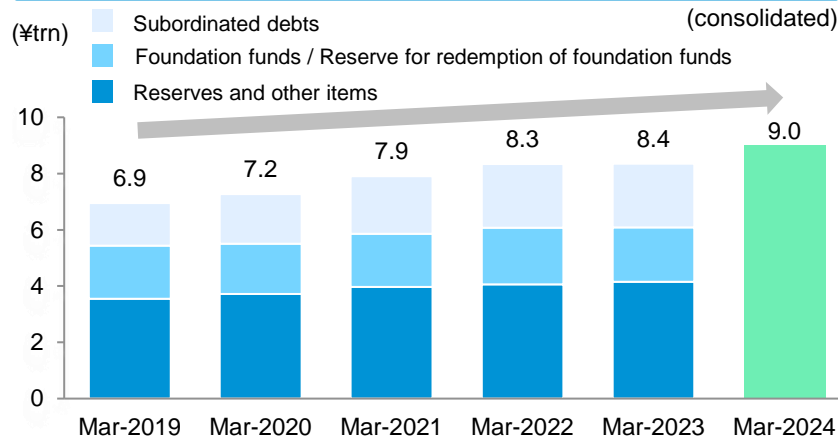
Maintain Financial Soundness and High Credit Ratings



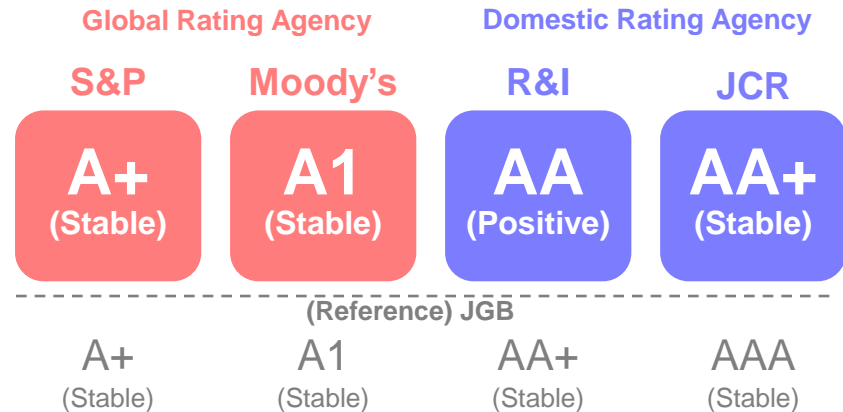
Nippon Life
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- We have been accumulating our group capital consistently and we receive top-tier credit ratings from major rating agencies
- We will maintain financial soundness and robust capital base under disciplined risk management
- Our domestic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

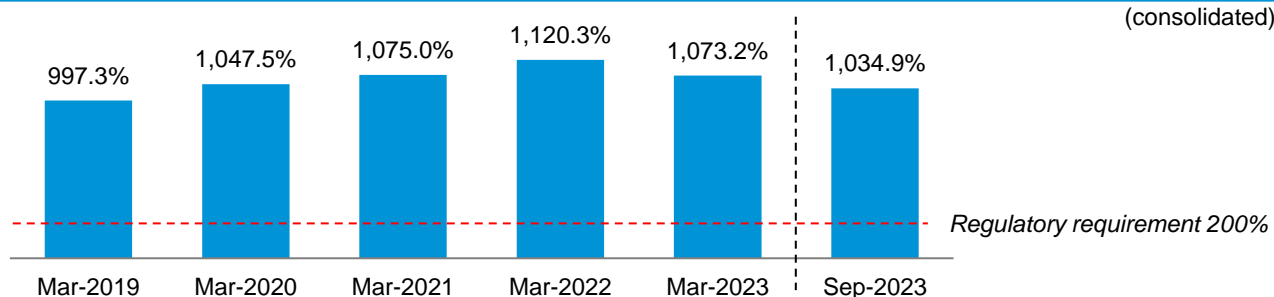
Accumulation of Group Capital¹



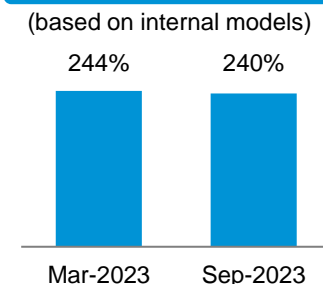
Credit Ratings (As of Nov 30, 2023)



Group Solvency Margin Ratio



ESR²



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
- 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 refer to our internal economic value-based solvency ratio as ESR. ESR is a solvency indicator valuing assets and liabilities based on a fair value (mark-to-market) basis. Indicates economic capital relative to the risk amount under a certain stress scenario. We have developed an internal model used to calculate ESR on a voluntary basis to monitor our financial soundness and to supplement our solvency margin ratio, which is prepared in accordance with Japanese regulations. Solvency margin ratio is not calculated based on economic value of the business of life insurance companies, which are characterized by the fact that most of the policies written are long-term contracts. Our current ESR framework may differ materially from any economic value-based solvency framework that may be formally implemented in Japan in the future, and we may revise our ESR framework in response to future regulatory changes