

July 1, 2015

Nippon Life Insurance Company

Announcement of the New Three-Year Mid-term Plan (FY 2015-FY 2017)

~Stay Closest to “Your Thoughts for Beloved Ones”~

Nippon Life Insurance Company (hereinafter “Nippon Life”; President: Yoshinobu Tsutsui) hereby announces its formulation of the New Three-Year Mid-term Plan (FY 2015-FY 2017), which will start from April 2015.

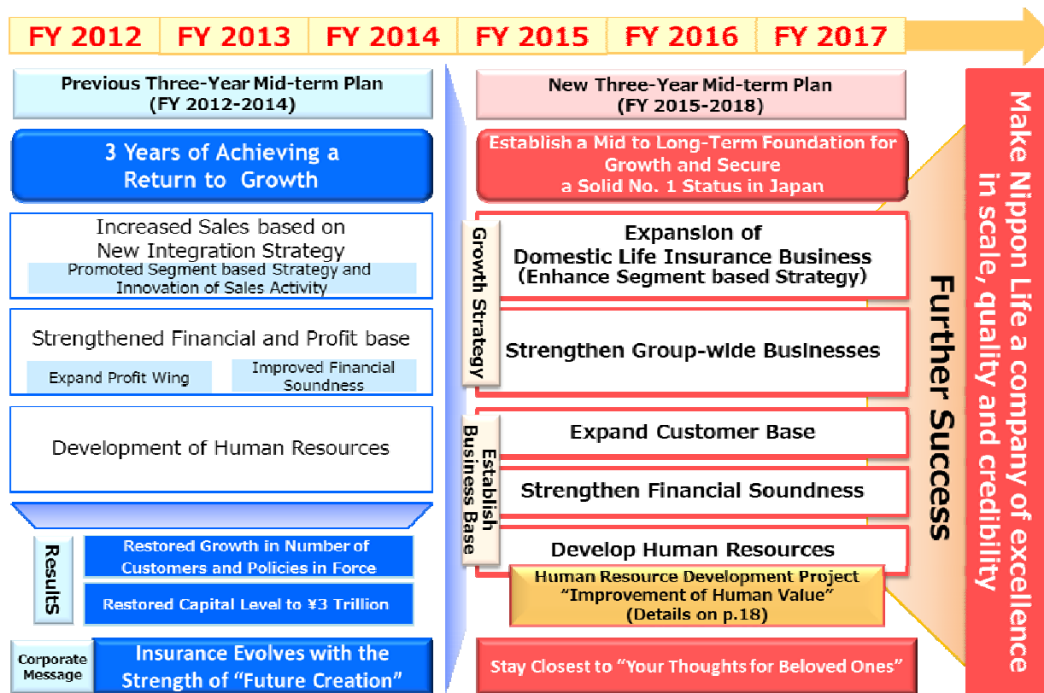
1. Purpose of Formulating the New Three-Year Mid-term Plan

In the previous three-year mid-term plan, Future Creation Project, Nippon Life had endeavored to 1) increase sales based on a new integration strategy, 2) build a stronger base for financial soundness and profitability and 3) develop human resources as the three main initiatives. As a result, the Company achieved a “Return to Growth,” including a turnaround in policies in force and the number of customers, as well as a steady buildup of capital.

Moving forward, Nippon Life thinks it will be critical to stay abreast of developments such as the advancement of women in Japanese society as a business opportunity to be captured in the domestic market, while building a business structure adaptive to a projected diversification in customer needs as Japan’s population continues to age and fewer children are born. To this end, growth must be achieved by the entire Group, including the overseas insurance operation.

The concept behind the New Three-Year Mid-term Plan Nippon Life formulated is to spend the next three years creating a business foundation the Company will need 10 years from now. Nippon Life will build on its achievements from the past three years to continue fulfilling its responsibility of providing customers with long-term insurance protection, and become a life insurer of excellence in “scale,” “quality” and “credibility.” The goals set forth in the new plan are 1) establish a medium- to long-term foundation for growth and (2) secure a solid No. 1 status in Japan.

## Mapping Out the New Three-Year Mid-term Plan



### 2. Overview of the New Three-Year Mid-term Plan

The New Three-Year Mid-term Plan will unfold two types of business strategies; the first in the interest of continuity, bolstering Nippon Life's existing strengths in areas such as retail, and the second in the interest of new possibilities, aggressively seeking opportunities in new business areas.

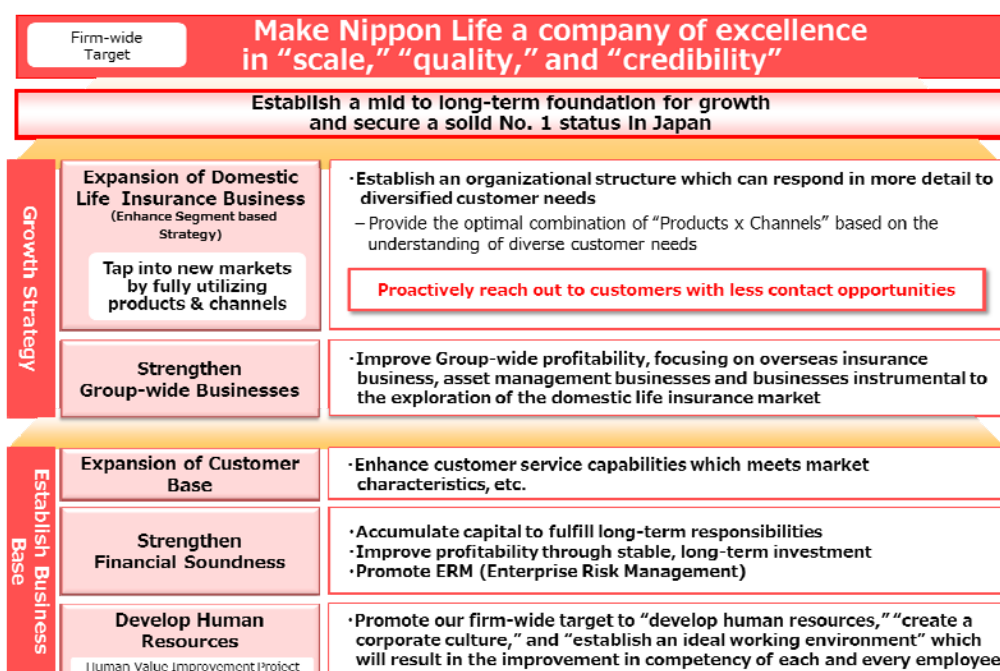
Specific business strategies include:

- Expansion of the domestic life insurance business (segment strategy progression) by providing attractive products and services that cater to the diversified needs of customers and reinforcing and diversifying sales and services through channels that include agencies and bank tellers
- Strengthening of Group businesses centered on the overseas insurance and asset management businesses

To build a business foundation capable of supporting the realization of these and other growth strategies, Nippon Life will concentrate more than ever on 1) expanding the customer base, 2) building a stronger base for financial soundness and 3) developing human resources.

In conjunction with launching the New Three-Year Mid-term Plan, Nippon Life will

begin publicizing a new corporate message, *Stay Closest to “Your Thoughts for Beloved Ones.”* Implicit in this message is the Company’s desire to become “the most familiar and approachable life insurance company” to all customers who care for their loved ones, including themselves.



<Main Numerical Targets>

	Item	Target for achievement by FY 2017
Growth strategy	New policies	No. 1 domestic market share (number of policies, sum assured, annualized premiums)
	Annualized premiums in force	6% growth (vs. FYE 2014)
	Number of customers	11.7 million
	Net income by Group companies	¥30 billion (net income of ¥100 billion in 10 years’ time)
Establish Business Base	Investments into new business and growth areas	¥1 trillion (in 3-5 years)
	Capital	+¥1 trillion (vs. FYE 2014)
	Review of cost structure	Streamline fixed costs by ¥17 billion

**Nippon Life Insurance**  
**New Three-Year Mid-term Plan**  
**(FY 2015-2017)**

**Stay Closest to “Your Thoughts for Beloved Ones”**



**日本生命**



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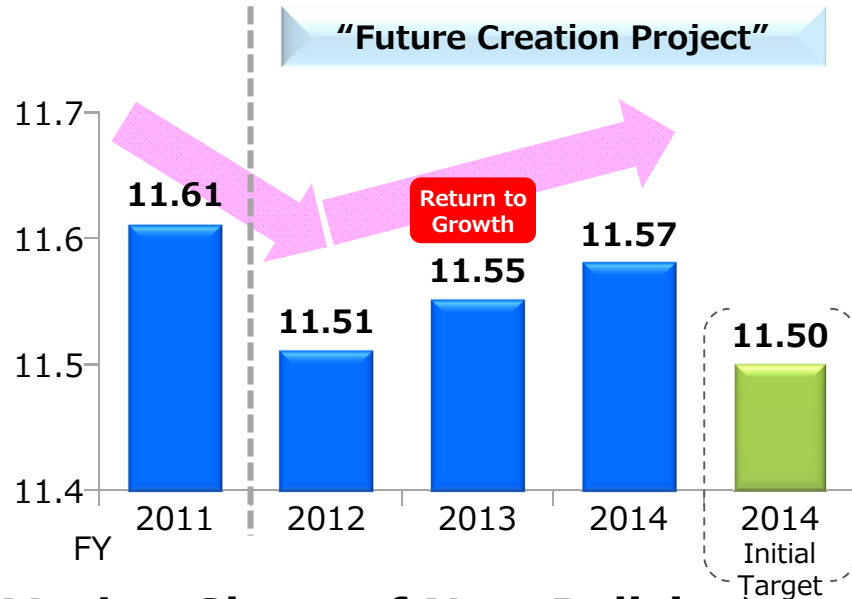
■ **Future Creation Project:** Under the slogan “Return to Growth” and the 3 main themes of “Increase sales based on new integration strategy,” “Build a stronger financial and profit base” and “Develop human resources,” we have progressed and achieved the following business objectives.

Target	Achievements	
Restore Growth in Number of Customers to 11.5 Million	Achieved	<ul style="list-style-type: none"> <li>➤ Restored growth in number of customers to 11.5 million as of FYE 2013.</li> <li>➤ FYE 2014 is 11.57 million.</li> </ul>
Restore Growth in Number of Policies in Force	Achieved	<ul style="list-style-type: none"> <li>➤ Returned to growth in FY 2012, achieved net increase in FY 2013 &amp; 2014.</li> </ul>
No. 1 in Share of New Policies	Achieved in FY 2012 & FY 2013	<ul style="list-style-type: none"> <li>➤ No. 1 position for FY 2012 &amp; FY 2013 in number of policies, sum assured, and annualized premiums.</li> <li>➤ No. 1 position for FY 2014 in number of policies and sum assured.</li> </ul>
Restore Capital Level to ¥3 Trillion	Achieved	<ul style="list-style-type: none"> <li>➤ Capital including subordinated debt exceeded ¥4 trillion as of FYE 2014.</li> </ul>

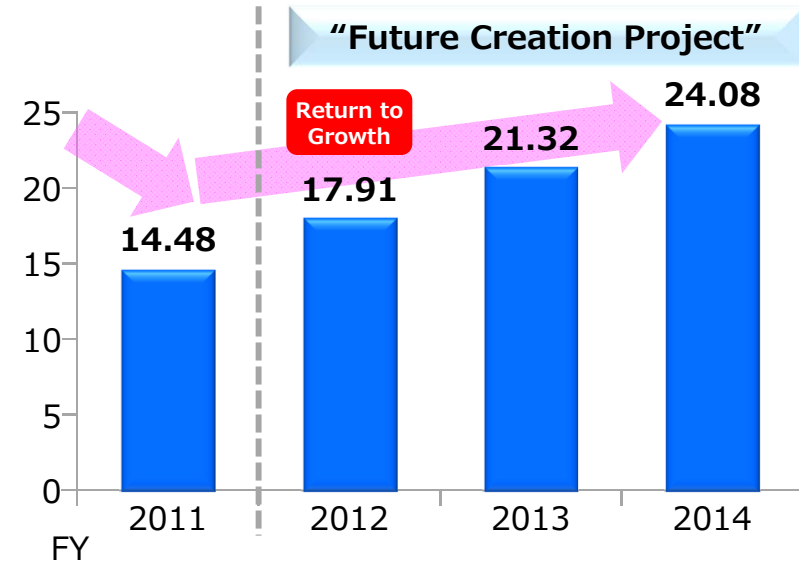
**Obtained solid results and achieved a return to growth during the Future Creation Project**

Future Creation Project①

<Number of Customers> (Millions)



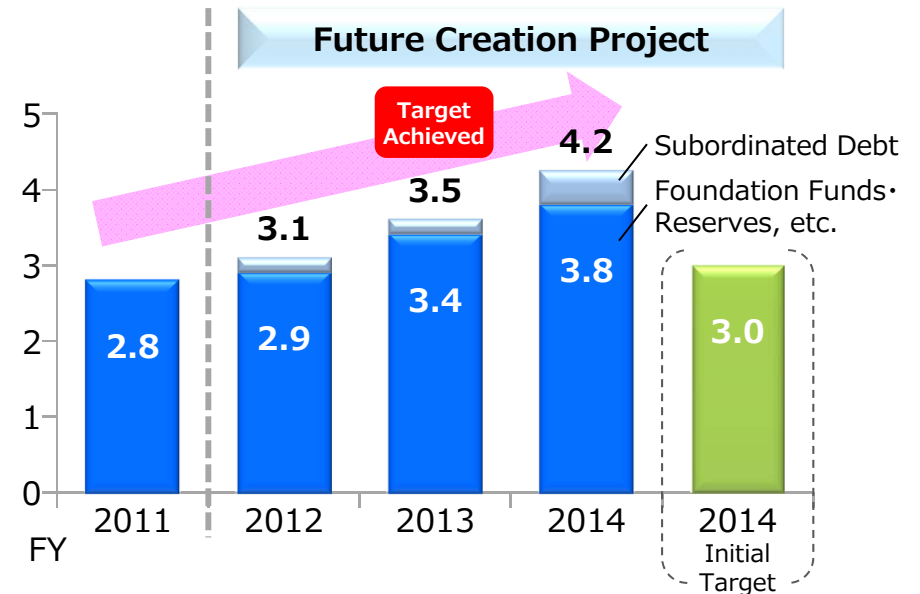
<Number of Policies in Force> (Millions)



<Market Share of New Policies>

	Future Creation Project			
	2011	2012	2013	2014
Number of Policies	---	No. 1	No. 1	No. 1
Sum Assured	No. 1	No. 1	No. 1	No. 1
Annualized Premiums	No. 2	No. 1	No. 1	No. 2

<Capital> (Trillions of yen)



\*Aggregated / calculated based on financial statements of market players (excluding Japan Post Insurance Co., Ltd.)



## 3 Years of Various Achievements Including Returning to Growth

### Understanding of Market Environment

Depopulation

Aging Society

Diversification of  
Customer Needs

Decline in Enrollment Rate  
for Younger Generation

Diversification of  
Enrollment Channels

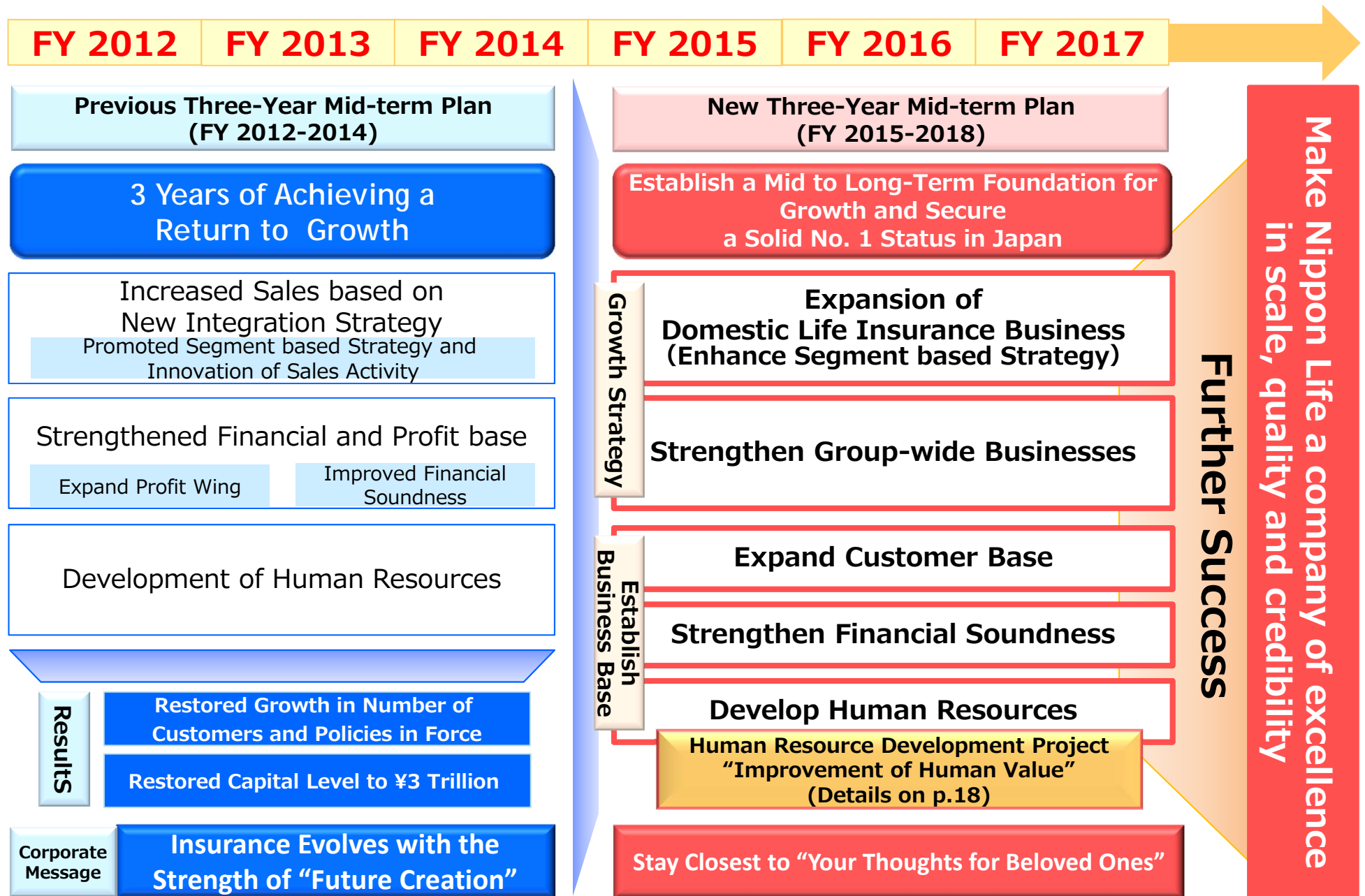
Intensified Competition in  
Urban Areas

It is critical not only to establish an organizational structure that is based on our understanding of the market environment, but also accurately grasp business opportunities to **expand domestic businesses where we see further growth potential**, and **achieve further group-wide growth** including the expansion of overseas businesses.

### Direction of New Three-Year Mid-term Plan

To achieve our firm-wide target of making Nippon Life a company of excellence in “scale,” “quality,” and “credibility,” we will construct a strategy based on 2 elements—“**continuity**” which builds upon our firm’s existing strength and “**innovation**” which pioneers our way into new challenges.

**Establish a mid to long-term foundation for growth  
and secure a solid No. 1 status in Japan**



Firm-wide Target

## Make Nippon Life a company of excellence in "scale," "quality," and "credibility"

### Establish a mid to long-term foundation for growth and secure a solid No. 1 status in Japan

**Growth Strategy**

<p><b>Expansion of Domestic Life Insurance Business</b> (Enhance Segment based Strategy)</p> <p>Tap into new markets by fully utilizing products &amp; channels</p>	<ul style="list-style-type: none"> <li>• Establish an organizational structure which can respond in more detail to diversified customer needs                             <ul style="list-style-type: none"> <li>– Provide the optimal combination of "Products x Channels" based on the understanding of diverse customer needs</li> </ul> </li> </ul> <p><b>Proactively reach out to customers with less contact opportunities</b></p>
<p><b>Strengthen Group-wide Businesses</b></p>	<ul style="list-style-type: none"> <li>• Improve Group-wide profitability, focusing on overseas insurance business, asset management businesses and businesses instrumental to the exploration of the domestic life insurance market</li> </ul>

**Establish Business Base**

<p><b>Expansion of Customer Base</b></p>	<ul style="list-style-type: none"> <li>• Enhance customer service capabilities which meets market characteristics, etc.</li> </ul>
<p><b>Strengthen Financial Soundness</b></p>	<ul style="list-style-type: none"> <li>• Accumulate capital to fulfill long-term responsibilities</li> <li>• Improve profitability through stable, long-term investment</li> <li>• Promote ERM (Enterprise Risk Management)</li> </ul>
<p><b>Develop Human Resources</b></p> <p>Human Value Improvement Project</p>	<ul style="list-style-type: none"> <li>• Promote our firm-wide target to "develop human resources," "create a corporate culture," and "establish an ideal working environment" which will result in the improvement in competency of each and every employee</li> </ul>

# I . Business Strategy

**Focus on the enhancement of segment based that fully utilizes products and channels to respond in more detail to diversified customer needs**

**Provide attractive products and services that meet customer needs**

Broaden product range, by taking advantage of the flexibility of *Mirai no Katachi*, as well as promptly supplying products to areas such as bancassurance



**Strengthen and diversify sales and service channels**

Strengthen channels where we have dominance, such as the sales representative channel, and also actively seek progress in other areas where our presence is low

**In addition to making advancements in markets where our strengths reside, we aim to tap into markets which we had less contact opportunities with our existing products and channels and expand our customer base in every segment.**

**No. 1 Domestic Market Share for New Business**

**6% Growth in Annualized Premium(In-force)  
(FYE 2014→FYE 2017)**

**Number of Customers  
11.7 Million  
(By FYE 2017)**

# I – 1. Growth Strategy① Expansion of Domestic Life Insurance Business

(Enhance Segment based Strategy)

Provide Attractive Products and Services



Strengthen and Diversify Sales Channels

## Outlook on Development of New Products and Services

Aging Population

Rise in Health Consciousness

Advancement of Medical Technology

Growth in Female-Specific Demands

Lack of Interest from Younger Generation

Growth in Demand to Cover oneself

Growth in Asset Accumulation Needs

## Develop and provide attractive products and services that meet customer needs.

Broaden product range by taking advantage of the flexibility of *Mirai no Katachi*  
(Sales Representative Channel, etc.)

Promptly provide products in other business areas  
(Bancassurance, etc.)

### Topics

Launched on April 2<sup>nd</sup> as the first set of products



Effective Use of External Framework

Collaboration with AXA Life

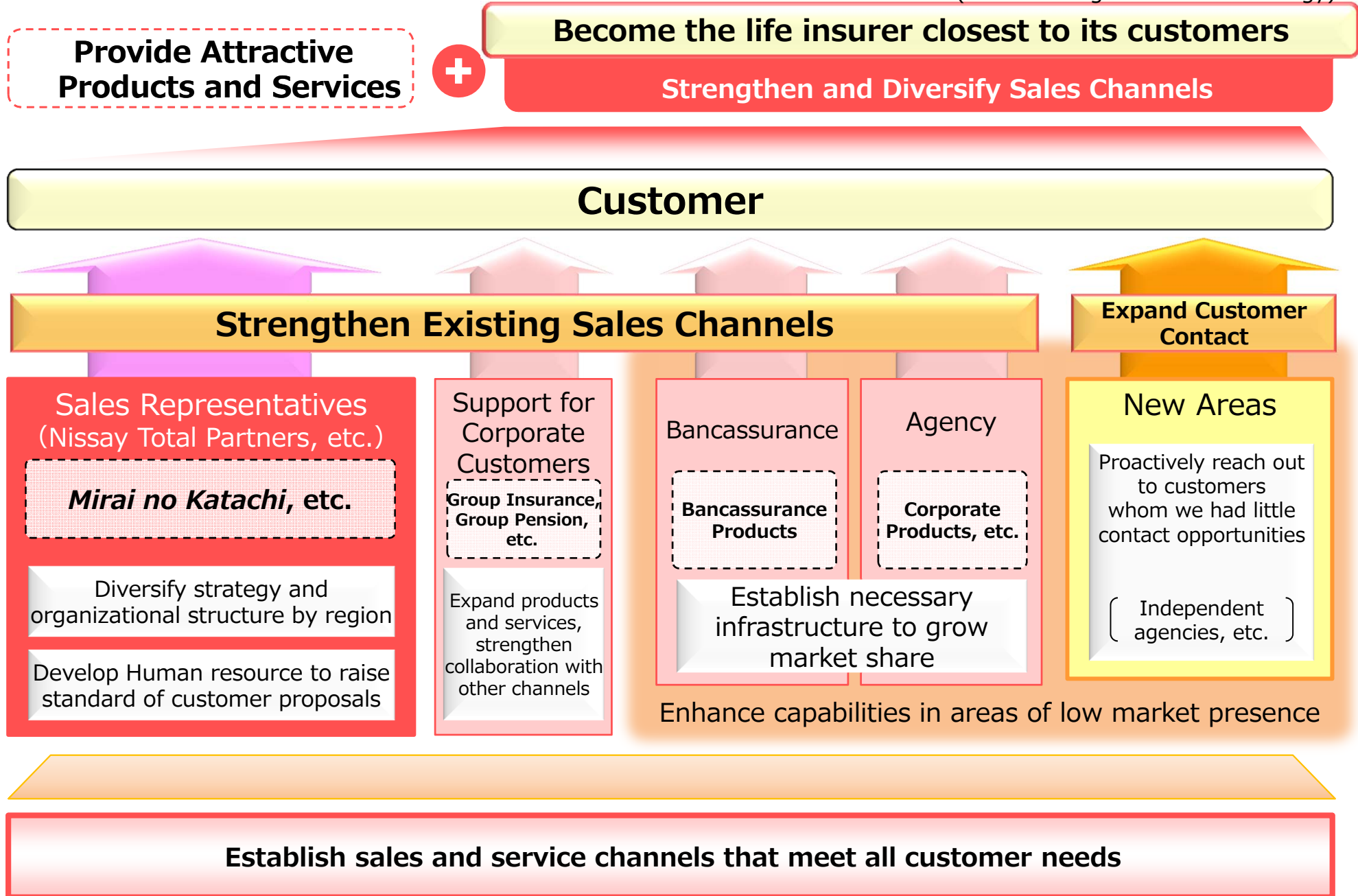


Considering introduction of foreign currency denominated product for bancassurance

Establish an effective and concrete Administration/System structure

# I – 1. Growth Strategy① Expansion of Domestic Life Insurance Business 10

(Enhance Segment based Strategy)



- Accelerate the establishment of a foundation to increase Group profit and achieve ¥100 billion of net income in 10 years

**To Enhance Group-wide business base in the mid to long-term**

**Further Explore the  
Domestic Life  
Insurance Market**

**Capture Post-  
Retirement Assets  
and Overseas Markets**

**Benefit from High  
Growth Rate  
Outside of Japan**

**Group-wide  
Domestic Businesses**

**Asset Management  
Business**

**Overseas  
Insurance Business**

**Domestic**

**Overseas**

**Build a business management structure  
which will support the broadening of group-wide profit base  
(human resource development, sophistication of governance, etc.)**



Achieve net income of ¥30 billion for FYE 2017 to meet the ultimate goal of net income of ¥100 billion in 10 years

**Overseas Insurance Business**

**Further Exploration of Existing Businesses**

- Improve performance and corporate value of existing businesses by reinforcing regional / functional support and sharing of best practices

**Expansion into New Businesses**

- Enhancement of new business expansion approach and adoption of expansion strategy based on regional market characteristics (including possibility of majority investments)

**Establishing Supporting Infrastructure**

- Establish a risk management structure which will contribute to a robust monitoring system and an improvement in long-term profitability

Development of Global Human Resources

Development of human resources who, through collaborations with overseas offices, are well-versed in the cultures / languages / practices of other countries.



**Asset Management Business**

**Restore Growth in the Domestic Market through the Expansion of Existing Initiatives**

- Accelerate profit enhancing initiatives through strengthening of Group-wide collaboration in areas such as mutual funds and pensions

**Capture Profitability in the Overseas Asset Management Market**

- Increase profit through investment and alliances with overseas asset management companies

**Provide Products Distinctive for a Life Insurance Company Affiliate**

- Secure third-party assets by providing products that take advantage of our Group's investment expertise

**Businesses instrumental to the exploration of the domestic life insurance market, etc. (capture domestic external channels and infrastructures)**

## Customer

Continuously Provide High-Value-Added Services

### Nippon Life

- ✓ Establish service structure to meet diversified customer needs

Sales Representatives

Non-sales Personnel

Telephone, Internet, etc.



- ✓ Promotion of Segment based Strategy

– Sophistication of segment specific services, targeting not only the core customer segment, but also the demands of seniors, females, and the younger generation

#### Segment Specific Services

Provide Senior-friendly services

- Create an environment where customers can feel secure about keeping their insurance policies
- Build a robust customer information management system

- ✓ Improvement in telephone and internet technologies as a service channel

CRM※ Promotion

Provide higher levels of satisfactory services to customers of various segments by thoroughly analyzing each of their needs

※CRM: Customer Relationship Management

**Realize Growth Strategy    Fulfill Long-term Responsibility to Customer  
Provide and Enhance Stable Dividends**



**Promote ERM (Enterprise Risk Management)**

- ✓ Set financial and profit targets and introduce economic value based indicators taking into consideration the trend in international capital requirements
- ✓ Flexibly rebalance resource and capital while conducting comprehensive risk/return management

**Review of  
Cost  
Structure**

- Prompt allocation of resources in areas with potential for mid to long-term increase in profitability, such as new business areas
- Establishment of low-cost structure by reducing fixed cost in existing businesses

**Optimization of ¥17 Billion in Fixed Cost  
(By FY 2018)**

**Investment  
Management  
Strategy**

- Secure stable, long-term investment profit through risk diversification and performing transactions which capture cyclical market trends
- Acceleration of investments into new business and growth areas, such as Infrastructure and developing countries

**Investment of ¥1 Trillion  
in 3-5 Years\***

**Capital  
Strategy**

- Strategic allocation of capital based on new initiatives aimed to expand Group-wide businesses
- Accumulation of capital inclusive of external fund-raising, with a mid to long-term goal of ¥6.5 trillion

**¥1 Trillion Increase  
in Capital (By FYE 2017)**

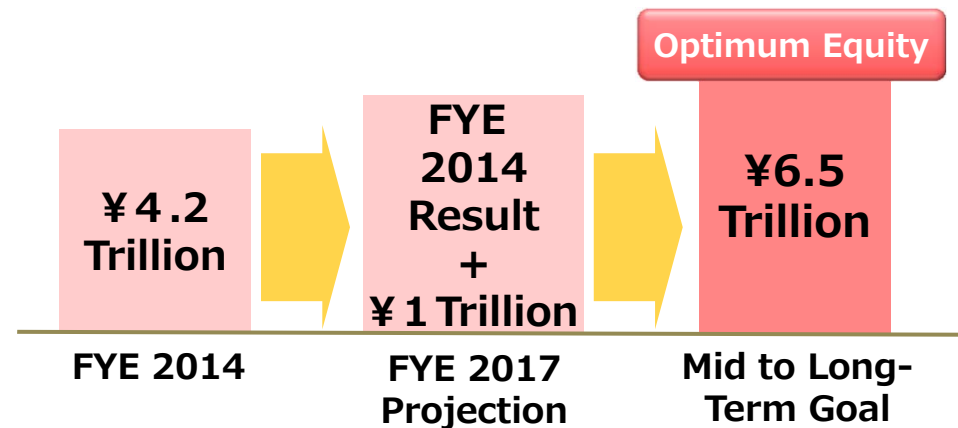
※ ¥800 billion in 3 years. Target levels will be reviewed in the event that the achievement deemed difficult as a result of changes in market environment.

- Assure stable and enhanced dividends to customers, taking into account profits generated from capital investment, and also strengthening capital level to satisfy the necessity of building financial soundness
- With regard to customer dividend payout ratio, our goal is to stabilize at 50% even though we expect short term fluctuations in adjusted net surplus deriving from market volatility

## Target Capital Level

- ① Calculation of risk with further scrutiny, reflecting the future international capital requirement trends
- ② Set goals which take into account the effect of future management strategies

➔ **Mid to Long-Term Target Capital Level: ¥6.5 Trillion**

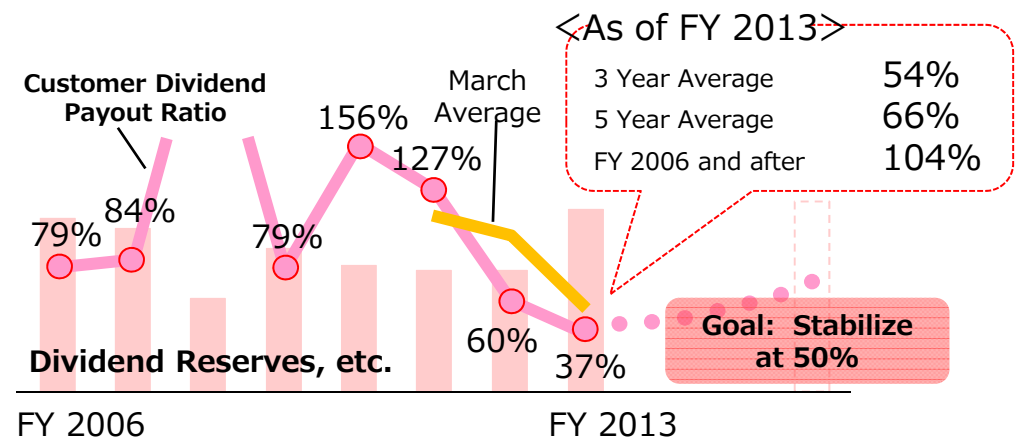


## Customer Dividend Payout Ratio

- ① Redefine the former index concerning dividends to “customer dividend payout ratio”
- ② Clarify the relevance between the ratio and net surplus presented on the financial statements

$$\text{Customer dividend payout ratio} = \frac{\text{Dividend reserves}}{\text{Adjusted net surplus}^*}$$

\*Net surplus + Excess of reserves such as Contingency reserve, etc. – Interest from foundation funds, etc.



“Human Value Improvement Project”

- Human Value Improvement Project: A Group-wide initiative launched in 2015 by the President himself under the slogan “Develop human resources with a high sense of ‘responsibility’ and ‘pride,’ overflowing with magnetism (as Nippon Life employees, corporate citizens and human beings).”

**Make Nippon Life a company of excellence in “scale,” “quality” and “credibility”**

## Human Value Improvement Project

Development of human resources with a high sense of ‘responsibility’ and ‘pride,’ overflowing with magnetism

Develop human resources who contribute to customers and society as well as to the profitability of the firm

Establish a motivating and positive working environment

Create a corporate culture in which we can take pride

**Develop Supervisors(Deputy General Manager class) as the Nissay version of “IkuBoss”**

**Foundation Building Initiative**

Respect for human rights, professional conduct, compliance, employee health management, social contribution activities by our 70 thousand employees and building a Group-wide sense of unity

<b>Growth Strategy</b>	No. 1 Domestic Market Share* <sup>1</sup> for New Business (Number of policies · sum assured · annualized premiums)	<b>Establish Business Base</b>	Review of Cost Structure Optimization of ¥17 Billion in Fixed Cost (By FY 2018)
	6% Growth in Annualized Premiums (In Force) (FYE 2014 → FYE 2017)		Investments into new business and growth areas, such as infrastructure and developing countries
	Number of Customers 11.7 Million (By FYE 2017)		Investment of ¥1 Trillion (in 3-5 years)
	Net Income of ¥30 Billion (FYE 2017) [Net Income* <sup>2</sup> of ¥100 billion in 10 years]		¥1 Trillion increase in Capital (FYE 2014 → FYE 2017)

\*The target levels of the above business objectives are based upon the economic environment at the time the goals were set.

\*<sup>1</sup> Regarding No. 1 Market Share for New Business, excludes Japan Post Insurance Co., Ltd.

\*<sup>2</sup> Net Income is the total profit inclusive of the net income of subsidiaries and affiliates, engaging in overseas insurance, asset management, businesses instrumental to the exploration of domestic life insurance market, based on the ownership ratio of Nippon Life.

## **II. Human Value Improvement Project – Detailed Initiative –**

- Human Value Improvement Project: A Group-wide initiative launched in 2015 by the president himself under the slogan "Develop human resources with a high sense of 'responsibility' and 'pride,' overflowing with magnetism (as Nippon Life employees, corporate citizens and human beings)."

## Develop Human Resources to support No. 1 presence

### <Sales Representatives>

#### Launch of Human Resource Development Promotion Department

- Nurturing long tenured sales representatives
  - Establish a robust training system that enables the development of each employee
- Career expansion for newly graduated female employees (Worksite Financial Coordinators)

### <Non-sales Personnel>

#### For the Success of the Present and the Future

#### ~Developing proactive individuals~

- Current Success: Putting "Evolution of Work" into practice
  - Prioritizing substance and efficiency
  - Reviewing existing procedures from a broader standpoint, etc.
- Future Success: Realizing a future career vision
  - Enhancing human resource development initiatives by division/business area
  - Enrichment of internal internship programs and overseas assignments

## Promoting Diversity

### Proactive Appointment of Female Management

Appointment  
to  
Management  
(As of  
FY 2015)

- Appointed 2 female executive officers
- Out of the newly appointed management class, approx. 30% were female

#### <Detailed Initiatives (Examples)>

- Promoting appointment of female branch managers through *kirameki-juku*
- Expanding the role of CS Career Track and Clerical hires
- Guidance through divisional heads as mentors
- Cooperation with the "IkuBoss" Corporate Alliance, etc.

**520 Females in Management Class  
by the start of FY 2018  
(+20% from FY 2014)**



## Establishment of Work Environment

### Launch of "Plus One Friday"

- Promote work / vacation planning by encouraging 3-day weekends
- Continued promotion of various initiatives, including weekly no-overtime day, 100% paternity leave, etc.

### Flexible working arrangements for career enhancement during childcare

- Implementation of flexible, shortened hours
- Career continuation support through a shared "Compatibility Road Map" with supervisor

### Balancing work and caregiving

- Additional information on work and caregiving
- Promote understanding of the caregiving situation with manager and team, and formulation of a work plan suitable to working situations

**Conducting a well organized work plan and realizing a better work-life balance**

## Creating a Corporate Culture

### Periodic exchange of opinions between the President and junior or female employees

#### "Creating Nissay's Future: President x Juniors / Women"

- Build an open culture through proactive communication between management and junior / female employees

### Establishment of Iki-Iki Office Meeting

(tentative name)

- Promote proactive information and opinion exchange between employees

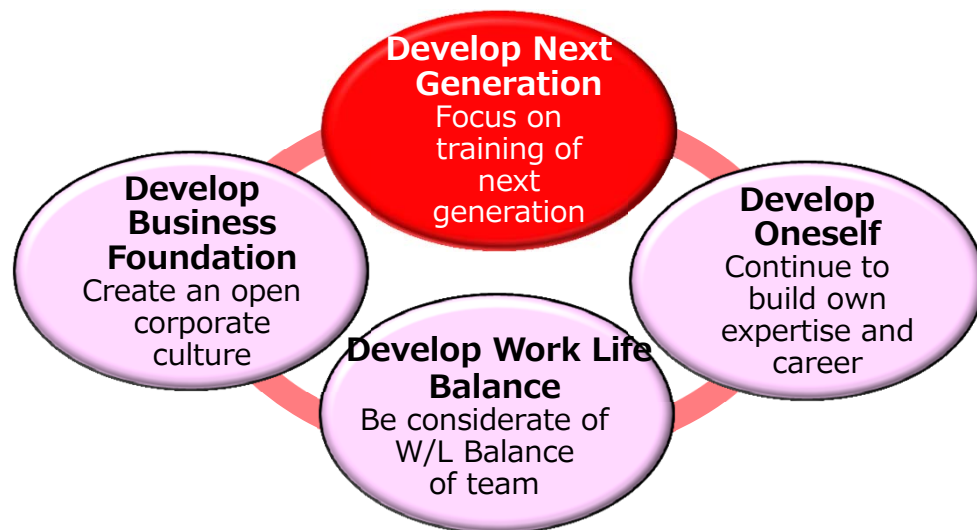
### Promotion of inspirational proposals regardless of affiliation, organization or age

Eg.) Wellness-dial *f* for female employees in 2014

**Creating an open corporate culture where employees are free to make proposals and share a mutual understanding of different values**

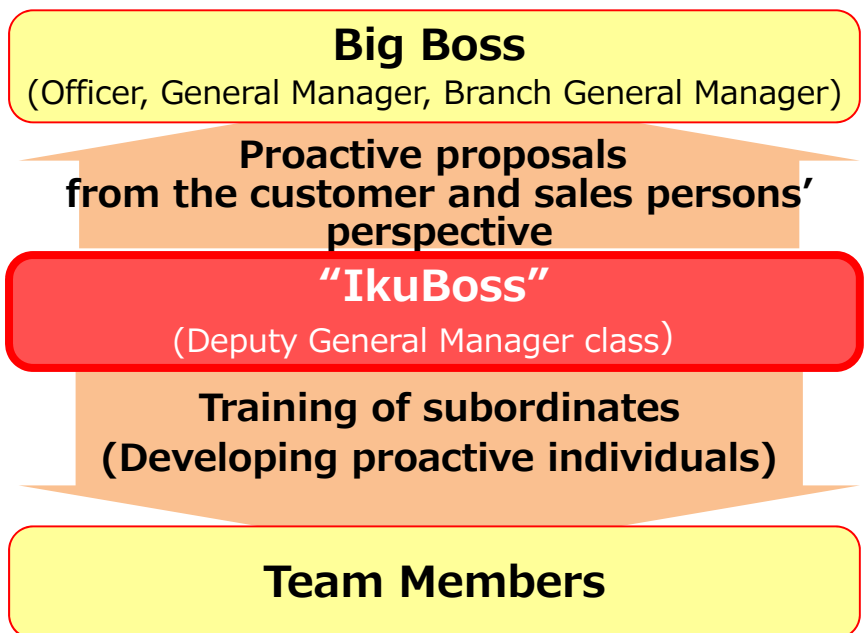
- Developing the Nippon Life version of “IkuBoss,” dedicated to 4 Developments (The 4 “Ikuji”)

<Ideal Supervisors (Deputy General Manager class) = The Nissay version of “IkuBoss”>



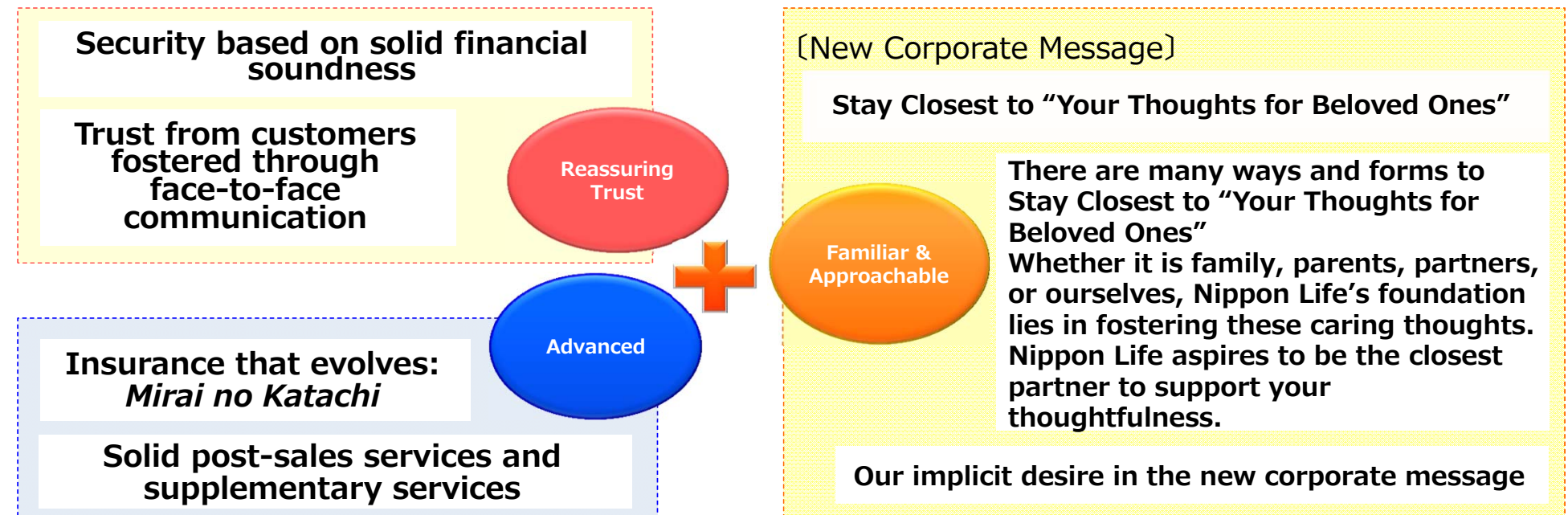
\* “Iku” or “育” in Japanese means to raise, train and develop.

\* “IkuBoss” is a Japanese term for a boss who understands and encourages the diversity of lifestyles, employees and ideas.



**Develop “supervisors,” the leader of development of human resources, establishment of ideal work environment, creation of corporate culture; as the Nippon Life version of “IkuBoss”**

- The new corporate message has an implicit desire to maintain our image of unwavering “security and trust,” to convey the appeal of our advanced products and services, and to become “the most familiar and approachable life insurance company” to all customers.
- Nippon Life has become sponsor of the Tokyo 2020 Olympic and Paralympic Games as a Gold Partner (Life Insurance), with a view to supporting the creation of a bright future of Japan through the event.



**Becoming “the most familiar and approachable life insurance company” to all customers.**

Sponsorship of the Tokyo 2020 Olympic and Paralympic Games

**Nippon Life has become sponsor of the Tokyo 2020 Olympic and Paralympic Games as a Gold Partner (Life Insurance)**