
CHAPTER

4

OUTLINE OF NIPPON LIFE INSURANCE COMPANY

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COMPANY HISTORY AND BUSINESS ACTIVITIES

Company History

Nippon Life was founded as Nippon Life Assurance Co., Inc. in July 1889, and in 1891 the name was changed to Nippon Life Assurance Co., Ltd. When the Company was founded, the first premium table based on Japanese mortality statistics was created. At the same, Nippon Life decided to offer profit dividends to policyholders, which was not a common practice in the life insurance industry at the time. As a life insurance company, Nippon Life was first to embody the spirit of mutual aid and was the first in the industry to pay policyholder dividends after its first major closing of books in 1898. After World War II, the Company was reborn as Nippon Life Insurance Company in 1947, and has strived to continue to realize mutual aid and cooperative prosperity as a mutual company.



Headquarters (former main building)
(1902–1959)



Current head office building
(1902–1959)

Nippon Life's Major Areas of Business

<1> Life insurance business

a. Underwriting insurance based on life insurance business licenses

Nippon Life underwrites insurance based on Article 3, Clause 4, Parts 1, 2, and 3 of the Insurance Business Law.

b. Asset management

Assets, such as monies received as premiums, are mainly invested in loans, securities, and real estate.

(1) Loans

As one part of asset management, call loans and loans to corporations and individuals are made.

(2) Securities investments

As part of asset management, we invest in securities (including foreign securities) and lend securities.

(3) Real estate investments

As part of asset management, we invest in real estate, including buildings.

<2> Auxiliary business

a. Proxy for other insurance companies and other financial institutions

Nippon Life acts as an agent or proxy for business conducted by other financial institutions, including insurance companies, based on Article 98, Clause 1,

Paragraph 1 of the Insurance Business Law (such as an agent or proxy for the insurance-related business of Nissay Dowa General Insurance).

b. Credit guarantee

Nippon Life guarantees loans as credit guarantees as stipulated in Article 98, Clause 2, Part 2 of the Insurance Business Law.

c. Underwriting bonds such as Japanese government bonds

Nippon Life underwrites bonds such as Japanese government bonds as stipulated in Article 98, Clause 1, Part 3 of the Insurance Business Law.

d. Counter sales of Japanese government bonds

Nippon Life sells Japanese government bonds as stipulated in Article 98, Clause 1, Part 3 of the Insurance Business Law.

e. Private placement of securities

Nippon Life privately places securities as stipulated in Article 98, Clause 1, Part 5 of the Insurance Business Law.

f. Sales of products and securities

Nippon Life trades public bonds as stipulated by Article 99, Clause 1 of the Insurance Business Law.

g. Sales of investment securities and investment trust beneficiary securities

Nippon Life sells investment securities and investment trust beneficiary securities as stipulated by Article 99, Clause 1 of the Insurance Business Law.

History

1889	Nippon Life Assurance Co., Inc. established
1891	Changed name to Nippon Life Assurance Co., Ltd.
1898	Paid the first profit dividends to policyholders in Japan
1899	Top in industry for policies in force
1902	Headquarters moved to present location
1924	Nippon Life Saiseikai Foundation established
1931	Nissay Hospital opened, attached to the Nippon Life Saiseikai Foundation
1940	Japan's first "Ordinary insurance with dividend by profit source" was launched
1942	Full transfer of Fuji Life Insurance
1945	Full transfer of Aikoku Life Insurance
1947	Company reemerged as Nippon Life Insurance Company
1959	Endowment Insurance with Term Rider <i>Kurashino Hoken</i> was launched
1963	Nissay Theater established
1964	Launch of the Nissay Masterpiece Theater Series
1973	Nissay Children's Culture Promotion Foundation established (name changed to Nissay Culture Foundation in 1993)
1975	New York Liaison Office established (name changed to New York Office in 1977) Full transfer of Ryukyu Life Insurance
1979	Nippon Life Foundation established
1980	Nippon Life's new comprehensive in-house computer network system began
1981	Whole life insurance with profit dividends and term insurance riders (given the nickname <i>Long Run</i> in 1983) Whole life insurance with profit dividends was launched London representative office opened
1982	Frankfurt representative office opened
1984	Nissay Leasing Co., Ltd. established
1985	Nissay BOT Investing Advisors established (name changed to Nissay Investing Advisors in 1989)
1987	Beijing representative office opened PanAgora Asset Management Limited (London) established
1988	Comprehensive Information online "System 100" began operation Nissay Research Institute established CI (corporate identity) introduced Nissay Senboku Computer Center established
1989	<100th Anniversary> NLI Research Institute (NLIRI) established Nissay Seirei Health and Welfare Foundation established PanAgora Asset Management, Inc. (Boston) established
1991	Nissay Capital Co., Ltd. established Nippon Life Insurance Company of America began operation

1992	<i>Athlete</i> (Dread Disease Term Rider) was launched Nissay Million Tree-Planting Campaign began
1993	NISSAY NEW CREATION CO., LTD. established Nissay Green Foundation established
1994	Satellite broadcast system NICE-NET introduced Living benefit rider was launched
1995	Nissay Investment Trust Co., Ltd. established
1996	Nissay General Insurance Company, Limited established
1997	Nippon Life Insurance Company of the Philippines, Inc. established <i>Forward</i> (illness & disability term rider) was launched Tie-up with Putnam Investments, LLC (U.S.A.) (pension field)
1998	<i>Nice Care</i> (nursing care rider) was launched Established Nissay Asset Management Corporation in merger of Nissay Investment Advisors Co., Ltd. and Nissay Investment Trust Co., Ltd. Tie-up with Putnam Investments, LLC (U.S.A.) (investment trust field) Tie-up with Deutsche Bank
1999	<110th Anniversary> Start of N _x -2000 System Nissay Insurance Accounts launched Nissay Information Technology Co., Ltd. established
2000	Separate Account Management Division was spun off, then integrated with Investment Trust Advisors subsidiary, name changed to Nissay Asset Management Corporation The Master Trust Bank of Japan, Ltd. began operation Foundation funds (kikin) fundraising using securitization through Special Purpose Company (SPC)
2001	Formed Nissay Dowa General Insurance Company, Limited in merger of Dowa Fire & Marine Insurance Co., Ltd. and Nissay General Insurance Co., Ltd. Insurance System Solution, a joint venture with the Sumitomo Marine Group and Mitsui Marine Group, established Life Care Partners Co., Ltd. established in cooperation with Nichii Gakkan Group and Hitachi, Ltd. Corporate-pension Business Service Co., Ltd. a joint venture with Daiichi Mutual Life Insurance Company, established Nissay Call Center launched
2002	Nissay Million Tree-Planting Campaign goal of one million trees reached Individual variable annuities that are sold in banks were launched
2003	Planting Forests for the Future of Nissay campaign, forest project campaign, began More than six million children have benefited from the Nissay Masterpiece Theater Series Nissay-SVA Life Insurance began operation

FOUNDATION FUNDS (KIKIN) CONTRIBUTORS AND FOUNDATION FUNDS (KIKIN) STATUS

■ Fund Contributors (as of March 31, 2005)

Amount of fund contributions	¥200 Billions of yen
Number of fund contributors	2

Name of fund contributors	Fund contributions to Nippon Life		Investments to the Company fund contributors	
	Amount of fund contributions	Fund contribution percentage	Number of shares held	Percentage of voting rights
Nissay Fund Special Purpose Company	¥150 Billions of yen	75.00 %	— Thousands of stock	— %
Fund Securitization Special Purpose Company	50	25.00	—	—

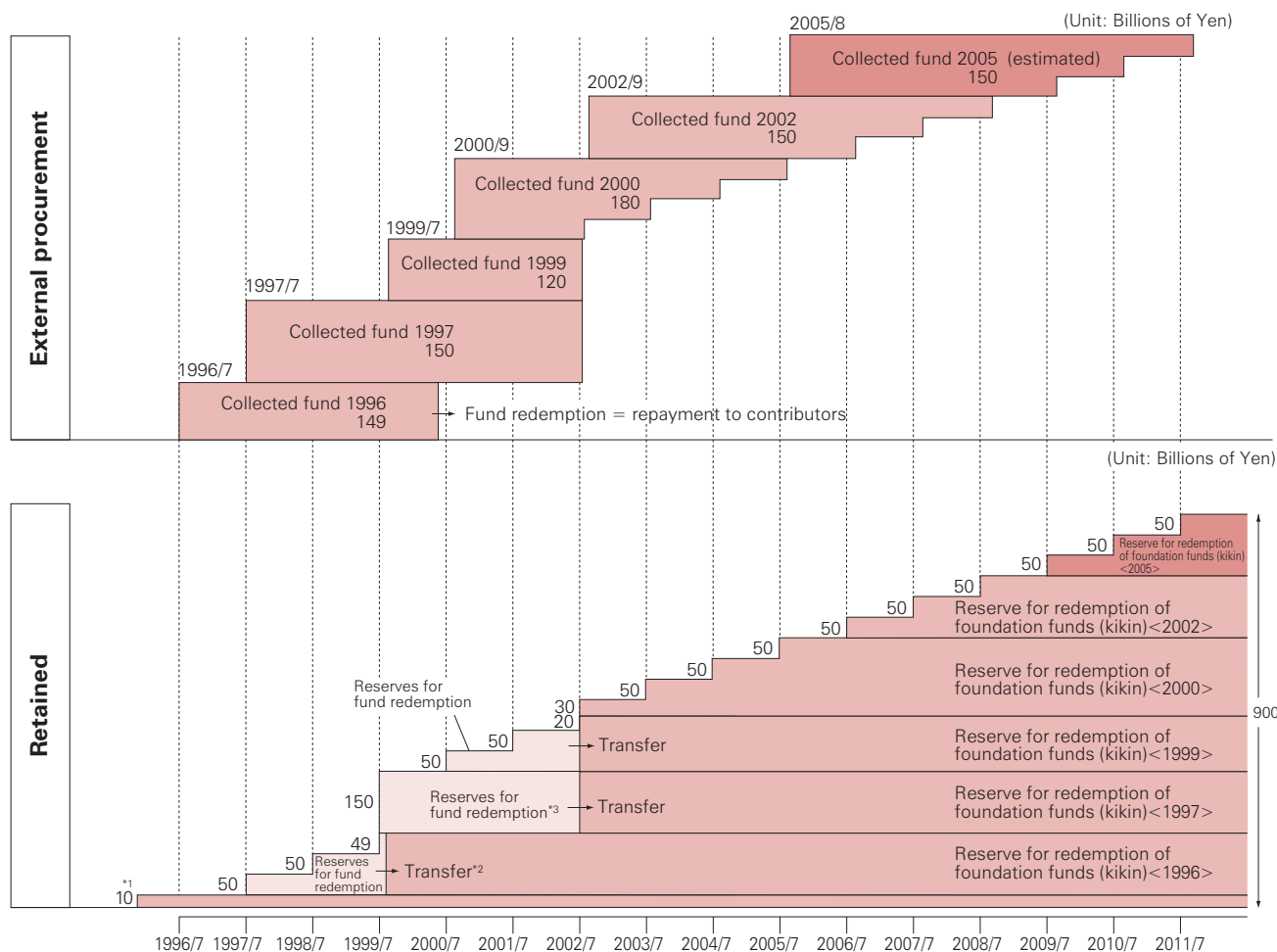
- Notes: 1. Nissay Fund Special Purpose Company issues special corporate bonds, backed by claims on the fund; issuance proceeds are used to purchase claims on the fund. Nippon Life has no specified investments in the Nissay Fund Special Purpose Company.
 2. The Fund Securitization Special Purpose Company issues special bonds, backed by claims on the fund, to qualified investors, stipulated by Cabinet Office ordinance, and the issuance proceeds are used to purchase claims on the fund. Nippon Life has no specified investments in the Fund Securitization Special Purpose Company.
 3. Fund contributors are the two above-mentioned entities.

■ Foundation Funds (Kikin) Status

Nippon Life endeavors to build up the foundation funds (kikin) as part of efforts to increase its ability to respond to risks. On account of foundation funds (kikin) fundraising activities, as shown in the diagram below, in fiscal 1996, 1997, 1999, 2000, and 2002, the fund amount (foundation funds (kikin) and the reserve for redemption of foundation funds (kikin) totaled ¥750 billion as of March 31, 2005. Making use of securitization since fiscal 2000 increased the number of contributors. In fiscal 2002, foundation funds (kikin) fundraising targeted the general public for the first time in the history of the industry. With additional contributions to the fund worth ¥150 billion in fiscal 2005, the total fund amount is expected to reach ¥900 billion.

*Based on the Insurance Business Law, the fund is composed of funds from contributors, and is considered the capital of the mutual company. Mutual companies are not expected to raise capital from stockholders, liabilities from fund contributors in the form of funds are added, and on the redemption date stipulated in the contract, the contributor is repaid. Furthermore, for repayment, the Company is required to build up reserves for repaying the fund that equal the amount of the fund. Part of the reserves built up from the yearly distribution of surplus are reserves for fund redemption, the source of reserve for fund redemption, and when the fund is redeemed, the funds are transferred to the reserve for redemption of foundation funds (kikin), which is used for redemption.

[Fund Redemption]



- Notes: 1. As stipulated by the Insurance Business Law, minimum fund amount is ¥1 billion.
 2. Article 56 of the Insurance Business Law: when redeeming the fund, an amount equivalent to the redemption amount must be accumulated as reserves for repaying the fund. Reserve for fund redemption is a voluntary reserve and it is transferred to reserve for redemption of foundation funds (kikin) when the foundation funds (kikin) is redeemed.
 3. The redemption of ¥150 billion of reserve for fund redemption expected to occur between fiscal 1999 and fiscal 2001 was completed earlier than expected.

CORPORATE MANAGEMENT



Chairman
Ikuo Uno



President
Kunie Okamoto



Vice Chairman
Mitsuhiro Ishibashi



Executive Vice President
Shingo Okada



Executive Vice President
Eitaro Waki



Senior Managing Director
Takao Arai



Senior Managing Director
Mitsutoshi Kimura



Managing Director
Takashi Matsukubo



Managing Director
Takashi Minagawa



Managing Director
Tetsuro Taki



Managing Director
Sadao Kato



Managing Director
Keizo Tsutsui



Managing Director
Shunsuke Wada



Managing Director
Takeshi Asahara



Managing Director
Kiyoshi Ujihara



Managing Director
Chiaki Hamaguchi



Managing Director
Akito Kuwabara

DIRECTORS

Yoshihisa Akiyama
Yoichi Fujita
Yoshikazu Takeda
Keiji Tsuda
Yoshinobu Tsutsui
Takeshi Furuichi
Shigemi Kanamori
Kennosuke Matsumura
Kenichi Kobayashi
Hiroshi Ishimura
Koji Aiba
Akira Mihayashi

AUDITORS

Koji Miyazaki
(Senior Corporate Auditor)
Takashi Imai
Keisuke Kitajima
Kantaro Toyozumi
Koji Miyazaki
Atsuhiko Nozaki

(as of July 5, 2005)

STATUS OF EMPLOYEES AND SALARIES

■ Number of Employees by Type

As of March 31	Number of employees			Number of new employees		
	2005	2004	2003	2005	2004	2003
Total non-sales personnel	10,647	10,483	10,771	882	438	556
Male	4,457	4,482	4,547	255	214	282
Female	6,190	6,001	6,224	627	224	274
Managerial track	3,856	3,939	4,001	137	146	190
Administrative clerk	3,246	3,291	3,376	—	—	—
Clerk	2,436	2,540	2,656	265	210	235
Total sales representatives	56,469	57,565	60,015	18,729	20,557	22,886
Male	3,593	4,032	4,526	172	479	739
Female	52,876	53,533	55,489	18,557	20,078	22,147
Sales management positions	2,329	2,390	2,463	—	—	—
Male	2,136	2,193	2,248	—	—	—
Female	193	197	215	—	—	—
Sales representatives	54,064	55,102	57,453	18,729	20,536	22,886
Male	1,381	1,766	2,179	172	458	739
Female	52,683	53,336	55,274	18,557	20,078	22,147
Sales representatives for management course	76	73	99	31	21	—
Total	67,116	68,048	70,786	19,611	20,995	23,442
Male	8,050	8,514	9,073	427	693	1,021
Female	59,066	59,534	61,713	19,184	20,302	22,421

Notes: 1. All figures were calculated on March 31 of each fiscal year.

2. Non-sales personnel is the total number of non-sales representatives, medical staff, policy managers, labor, special advisors, professionals and specific positions.

3. After fiscal 2003, the number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (1,943 employees as of March 31, 2005 and 1,797 employees as of March 31, 2004)

4. After fiscal 2003, the number of sales manager assistants includes sales manager assistant trainees. (New employees only include sales manager assistants.)

■ Average Age and Years of Service of Employees

As of March 31	Average age (years)			Average number of years of service (years)		
	2005	2004	2003	2005	2004	2003
Total non-sales personnel	40.6	40.3	39.9	17.6	18.1	17.8
Male	42.4	42.1	41.8	17.1	17.2	16.9
Female	39.2	39.0	38.5	17.9	18.8	18.5
Managerial track	40.7	40.4	40.1	18.6	18.2	17.9
Administrative clerk	43.2	43.0	42.6	23.9	23.8	23.6
Clerk	34.0	34.0	33.6	13.0	13.2	12.9
Total sales representatives	45.1	44.8	44.7	8.7	8.7	8.5
Male	44.1	43.6	42.9	17.3	16.0	14.7
Female	45.1	44.9	44.8	8.1	8.1	8.0
Sales management positions	44.9	44.9	44.9	21.8	21.7	21.4
Male	44.3	44.3	44.3	21.9	21.7	21.5
Female	51.1	51.8	51.3	21.0	21.3	20.4
Sales representatives	45.1	44.8	44.7	8.2	8.1	8.0
Male	44.3	43.2	41.9	10.9	9.2	7.9
Female	45.1	44.9	44.8	8.1	8.1	8.0
Sales representatives for management course	32.8	34.0	32.2	6.1	8.0	8.0
Total	44.3	44.1	44.0	10.1	10.1	10.0
Male	43.1	42.8	42.3	17.2	16.6	15.8
Female	44.5	44.3	44.2	9.2	9.2	9.1

Notes: 1. All figures were calculated on March 31 of each fiscal year, and rounded to the nearest decimal place.

2. Non-sales personnel is the total number of non-sales representative, medical staff, policy managers, labor, special advisors, professionals, and specific positions.

3. After fiscal 2003, the number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (1,943 employees as of March 31, 2005 and 1,797 employees as of March 31, 2004)

4. After fiscal 2003, the number of sales manager assistants includes sales manager assistant trainees.

■ Average Monthly Salary of Non-Sales Personnel

As of March 31	(Unit: Thousands of Yen)		
	2005	2004	2003
Non-sales personnel	390	399	385

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March of every fiscal year and excludes bonuses and overtime pay.

2. Non-sales personnel is the total number of non-sales representative, medical staff, policy managers, labor service staffs, special advisors, key account managers, and contract employees.

■ Average Monthly Salary of Sales Representatives

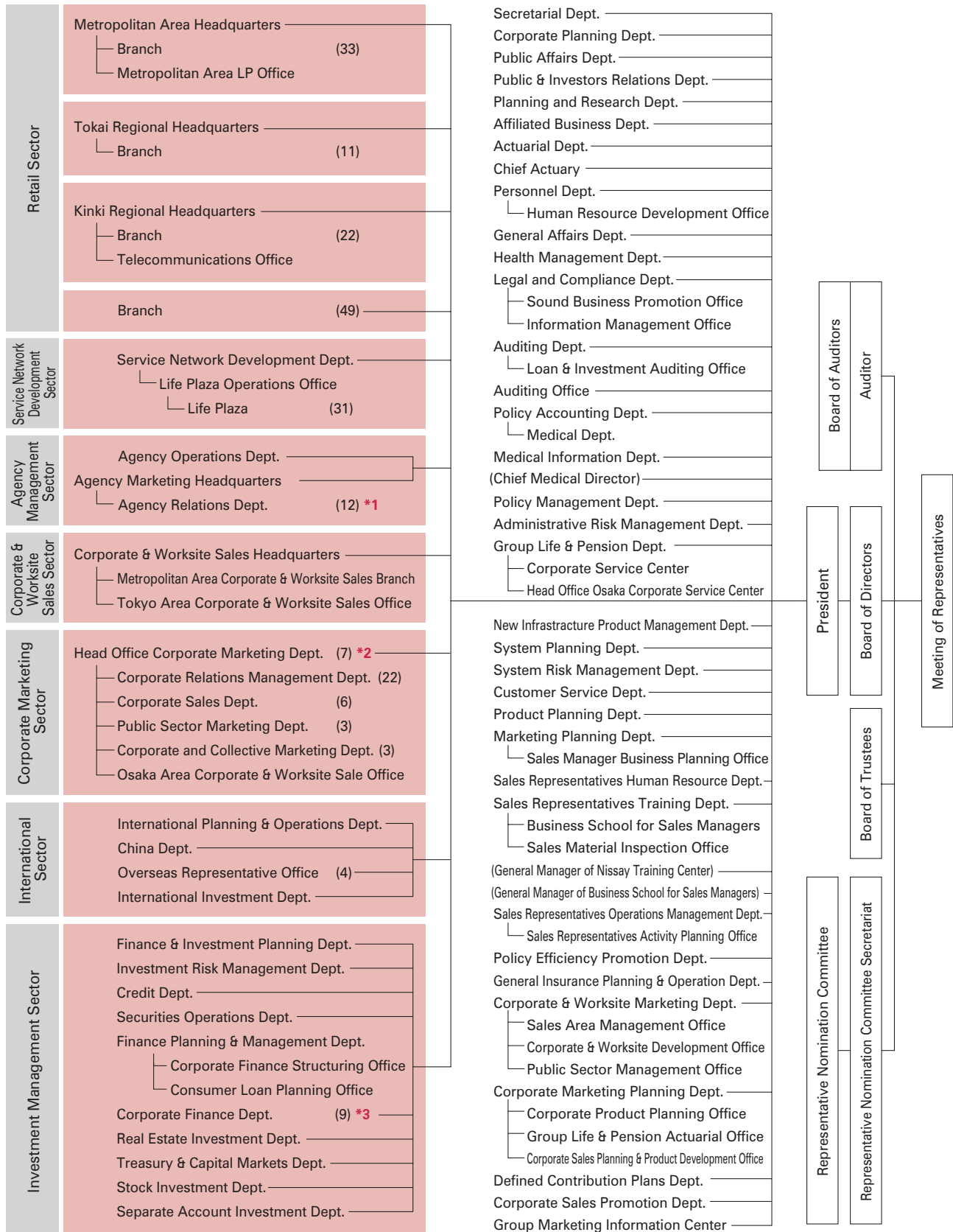
As of March 31	(Unit: Thousands of Yen)		
	2005	2004	2003
Sales representatives	252	250	269

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March of every fiscal year and excludes bonuses and overtime pay.

2. Excludes deputy subbranch manager, training manager, special manager, sales manager assistance, SA office trainer, subbranch manager, sales representatives for management course, sales representatives for subbranch manager, specially commended sales manager, sales advisor, life agents, junior trainee, life insurance solicitor agent, SA staff, service support staff.

ORGANIZATION

Customer



Note 1: Twelve Agency Relations Departments

East Japan Agency Relations Dept. (Sendai)
 1st Metropolitan Agency Relations Dept. (Tokyo)
 2nd Metropolitan Agency Relations Dept. (Tokyo)
 3rd Metropolitan Agency Relations Dept. (Tokyo)
 4th Metropolitan Agency Relations Dept. (Tokyo)
 5th Metropolitan Agency Relations Dept. (Yokohama)
 Chubu & Hokuriku Agency Relations Dept. (Nagoya)
 1st Kinki Agency Relations Dept. (Osaka)
 2nd Kinki Agency Relations Dept. (Osaka)
 West Japan Agency Relations Dept. (Okayama)
 Kyushu Agency Relations Dept. (Fukuoka)
 Financial Institution Sales Dept. (Tokyo)

Note 2: Seven Head Office Corporate Marketing Departments

● Head Office 1st Corporate Marketing Dept. (Tokyo)
 1st Corporate Relations Management Dept. (Tokyo)
 2nd Corporate Relations Management Dept. (Tokyo)
 3rd Corporate Relations Management Dept. (Tokyo)
 4th Corporate Relations Management Dept. (Tokyo)
 International Corporate Relations Management Dept. (Tokyo)
 1st Corporate Sales Dept. (Tokyo)

2nd Corporate Sales Dept. (Tokyo)
 3rd Corporate Sales Dept. (Tokyo)
 ● Head Office 2nd Corporate Marketing Dept. (Tokyo)
 4th Corporate Relations Management Dept. (Tokyo)
 5th Corporate Relations Management Dept. (Tokyo)
 6th Corporate Relations Management Dept. (Tokyo)
 7th Corporate Relations Management Dept. (Tokyo)
 8th Corporate Relations Management Dept. (Tokyo)
 Kanagawa Regional Corporate Relations Management Dept. (Yokohama)
 ● Head Office 3rd Corporate Marketing Dept. (Tokyo)
 Financial Institution Relations Dept. (Tokyo)
 1st Public Sector Marketing Dept. (Tokyo)
 2nd Public Sector Marketing Dept. (Tokyo)
 3rd Public Sector Marketing Dept. (Tokyo)
 1st Corporate and Collective Marketing Dept. (Tokyo)
 2nd Corporate and Collective Marketing Dept. (Tokyo)
 ● Head Office East Japan Corporate Marketing Dept. (Sapporo)
 Hokkaido Corporate Relations Management Dept. (Sapporo)
 Tohoku Corporate Relations Management Dept. (Sendai)
 ● Head Office Tokai Corporate Marketing Dept. (Nagoya)
 1st Tokai Corporate Relations Management Dept. (Nagoya)
 2nd Tokai Corporate Relations Management Dept. (Kariya)
 Tokai Corporate Sales Dept. (Nagoya)
 ● Head Office Osaka Corporate Marketing Dept. (Osaka)

1st Osaka Corporate Relations Management Dept. (Osaka)
 2nd Osaka Corporate Relations Management Dept. (Osaka)
 3rd Osaka Corporate Relations Management Dept. (Osaka)
 Kyoto Corporate Relations Management Dept. (Kyoto)
 Kobe Corporate Relations Management Dept. (Kobe)
 Hiroshima Corporate Relations Management Dept. (Hiroshima)
 1st Osaka Corporate Sales Dept. (Osaka)
 2nd Osaka Corporate Sales Dept. (Osaka)
 Osaka Corporate and Collective Marketing Dept. (Osaka)
 Osaka Area Corporate & Worksite Sales Office (Osaka)
 ● Head Office Kyushu Corporate Marketing Dept. (Fukuoka)
 Kyushu Corporate Relations Management Dept. (Fukuoka)

Note 3: Nine Corporate Finance Departments

1st Corporate Finance Dept. (Tokyo)
 2nd Corporate Finance Dept. (Tokyo)
 3rd Corporate Finance Dept. (Tokyo)
 Metropolitan Area Corporate Finance Dept. (Tokyo)
 East Japan Corporate Finance Dept. (Tokyo)
 Tokai Area Corporate Finance Dept. (Nagoya)
 1st Osaka Corporate Finance Dept. (Osaka)
 2nd Osaka Corporate Finance Dept. (Osaka)
 Kyushu Area Corporate Finance Dept. (Fukuoka)

■ Headquarters Organization

As of March 31	(Unit: Number)		
	2005	2004	2003
Regional Headquarters	3	3	7
Agency Marketing Headquarters	1	1	1
Corporate & Worksite Sales Headquarters	1	—	—
Head Office Corporate Marketing Dept.	7	7	7
Departments	39	39	38
Offices	29	25	26
Sections (known as "Groups")	88	90	94
Agency Relations Dept.	12	12	11
Corporate Relations Management Dept.	22	22	22
Corporate Sales Dept.	6	6	6
Corporate and Collective Marketing Dept.	6	6	6
Corporate & Worksite Sales Office	2	2	4
Corporate Finance Dept.	9	9	9

Note: Figures were compiled at the start of each fiscal year.

■ Branch Organization

As of March 31	(Unit: Number)		
	2005	2004	2003
Branches, etc.			
Branches	118	117	125
Branch Offices	12	14	18
Sales Branches etc.			
Sales Offices	1,560	1,556	1,598
Sales Suboffices	197	201	189
Overseas Representative Offices	4	5	7
Agencies	6,364	5,954	6,070

Notes: 1. Figures were compiled at the start of each fiscal year.

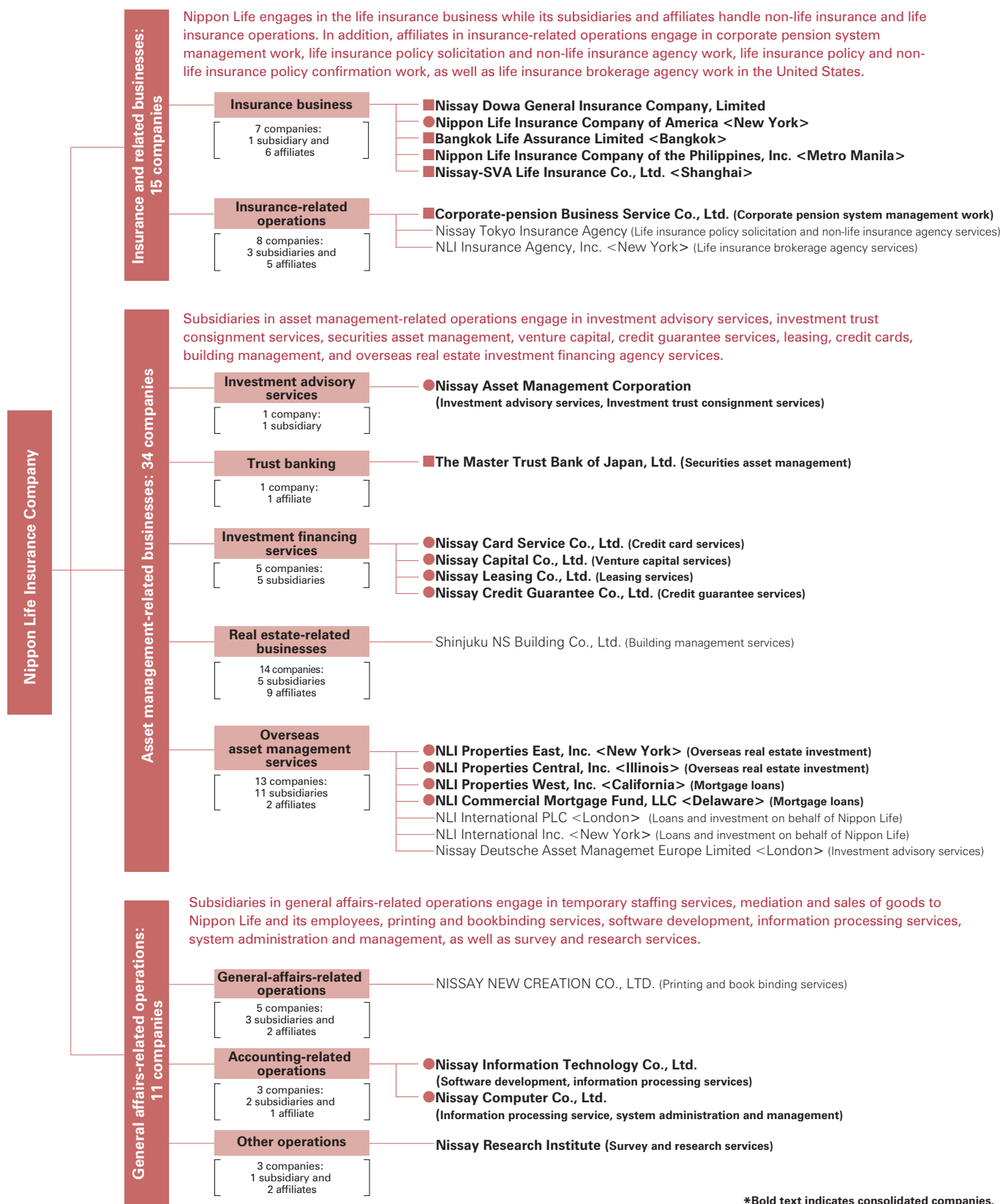
2. About Branches:

- Branches include Metropolitan Area LP Office and Telecommunications Offices.
- Branch offices are organizations that specialize in urban corporate & worksite sales. Branch offices include that provide advanced consulting sales services backed by a broad field of knowledge in insurance, taxation and asset management.

3. About Representative Offices:

The number of overseas representative offices at the start of fiscal 2005 excludes the Shanghai representative office, which is in the process of shutting down.

BUSINESS STRUCTURE



*Bold text indicates consolidated companies.

Notes: 1. ● Indicates consolidated subsidiaries and ■ marks indicate affiliates accounted for by the equity method
 2. Major company names shown

SUBSIDIARIES AND AFFILIATES

Nippon Life conducts its business together with its subsidiaries and affiliates (being non-subsidiary companies in which Nippon Life holds, directly or indirectly, 20% to 50% of the issued share capital, or over which Nippon Life holds significant influence with respect to its finances, operations or businesses). As of March 31, 2005, Nippon Life had 13 subsidiaries, 13 of which were consolidated subsidiaries. As of the same date, Nippon Life had six affiliates, six of which were accounted for by the equity method in Nippon Life's consolidated financial statements.

The following table sets forth information on Nippon Life's principal direct and indirect subsidiaries and affiliates as of March 31, 2005.

Note: The Company's percentage of voting rights shows the number of voting rights held by Nippon Life divided by the total number of voting rights.

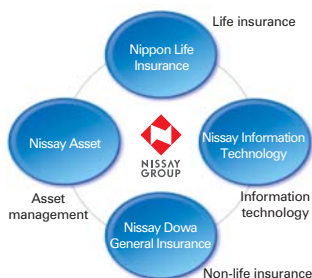
Name	Country	Main business	Issued capital (millions)	Equity held directly or indirectly by Nippon Life (percent)
Consolidated Subsidiaries				
Nissay Computer Co.,Ltd.	Japan	Information handling services and systems operation and management	¥220	45.00%
Nissay Leasing Co.,Ltd.	Japan	Lease	¥3,099	51.21
Nissay Card Service Co., Ltd.	Japan	Credit card business	¥100	95.00
Nissay Capital Co.,Ltd.	Japan	Venture capital business	¥3,000	100.00
Nissay Asset Management Corporation	Japan	Investment advisory and investment trust management services	¥10,000	90.00
Nissay Information Technology Co., Ltd.	Japan	Information and technology	¥4,000	75.00
Nippon Life Insurance Company of America	U.S.A.	Insurance and insurance related	\$3.6	96.96
NLI Properties East., Inc.	U.S.A.	Real estate investment	\$310	100.00
NLI Properties Central., Inc.	U.S.A.	Real estate investment	\$250	100.00
NLI Properties West., Inc.	U.S.A.	Real estate investment	\$290	100.00
NLI Commercial Mortgage Fund, LLC	U.S.A.	Mortgage loan	\$100	100.00
NLI Commercial Mortgage Fund II, LLC	U.S.A.	Mortgage loan	\$100	100.00
Nissay Guarantee Corporation	Japan	Trust and guarantee	¥200	15.00
Affiliates				
Nissay Dowa General Insurance Co., Ltd.	Japan	Non-life insurance	¥47,328	35.91
The Master Trust Bank of Japan, Ltd.	Japan	Master trust and custody services	¥10,000	29.00
Corporate-pension Business Service Co., Ltd.	Japan	Corporate pension system and administration management	¥6,000	49.00
Bangkok Life Assurance Limited	Thailand	Insurance and insurance related	1000 Baht	16.41
Nippon Life Insurance Company of Philippines, Inc.	Philippines	Insurance and insurance related	500 Piso	50.00
Nissay-SVA Life Insurance Co.,Ltd.	China	Insurance and insurance related	300 RMB	50.00

Note: The Company's percentage of voting rights shows the number of voting rights held by Nippon Life divided by the total number of voting rights.

• History of Corporate Mergers (Fiscal 2004)

1. On August 1, 2004, the Company's percentage of voting rights in Nissay Leasing increased to 50.39% in line with a third-party capital increase totaling ¥2,999.36 billion, of which the Company funded ¥2,099.55 billion.
2. On September 28, 2004, NLI Properties UK was dissolved.
3. On November 5, 2004, the Company's percentage of voting rights in Nissay Leasing increased to 51.21% with the acquisition of shares.
4. On March 17, 2005, NLI Commercial Mortgage Fund II, was established in the United States with paid-in capital of US\$100 million as a wholly owned subsidiary of Nippon Life engaged in mortgage loans.
5. Nissay Leasing and NLI Commercial Mortgage Fund II became new subsidiaries. NLI Properties UK no longer fell under the classification of a subsidiary or affiliate.

[Four Core Group Companies]



Nissay Dowa General Insurance Company, Limited (Osaka)



Nissay Asset Management Corporation (Tokyo)



Nissay Information Technology Co., Ltd. (Tokyo)

Four Core Group Management Companies

Nippon Life makes every effort to create a structure capable of providing the best, most comprehensive insurance services across a broad spectrum of needs, including life insurance, non-life insurance, medical and nursing care insurance, and asset growth, to meet the diverse and sophisticated needs of its customers. We work from the customer's perspective in our basic strategies to:

- 1) Provide the finest in innovative services in a precise and prompt manner
- 2) Provide responsible services, from sales to underwriting, under the Nissay brand

To this end, the four group companies of Nippon Life Insurance Company, Nissay Dowa General Insurance, Nissay Asset, and Nissay Information Technology are working toward even more solid group management.

Nissay Dowa General Insurance

Taking advantage of the direction and position of the comprehensive insurance strategy, which is advancing along with Nippon Life since their merger in 2001, Nissay Dowa General Insurance recorded ¥321.8 billion in net premiums written in fiscal 2004, an increase of ¥53.6 billion over the past four years since the merger. Nissay Dowa will continue to provide products and services in line with diversifying customer needs, expand sales channels and strengthen consulting capabilities while aiming to increase growth potential and profitability by promoting greater business efficiency. At the same time, Nissay Dowa is making every effort to be chosen and trusted by its customers and agencies.

Nissay Asset

Nissay Asset strives to provide high-quality services with a full lineup of investment products to aggressively meet the diverse needs of its customers for asset formation and corporate welfare needs. Nissay Asset had approximately ¥6.8 trillion in assets under management as of March 31, 2005, one of the highest levels in the industry. The company works tirelessly to increase the trust of its customers in the fields of group pensions and investment trusts. Nissay Asset is jointly developing a wide selection of investment trusts, including some through our NLI Research Institute and alliance partner Putnam Investments in the United States. Among them, the *Nissay/Putnam Income Open*, a product jointly developed with Putnam, is one of the leading funds in Japan's investment trust industry with more than ¥940 billion under management as of March 31, 2005.

Nissay Information Technology

Responsible for advancing the Group's IT strategy, Nissay Information Technology aims to improve development productivity and create advanced development technologies through the concentration of system development resources and know-how as well as the proactive implementation of the latest technologies. Nissay Information Technology has developed cutting-edge information systems to support services for Nissay Insurance Accounts, comprehensive services for life and non-life insurance, and call centers. Nissay Information Technology is combining efforts with Nippon Life to develop Web versions of agency systems and marketing base systems, as well as upgrade the portable computers of sales representatives. In addition, taking full advantage of its expertise in IT systems, the company is entering IT markets associated with the insurance industry, and actively provides services to a wide range of customers. In fiscal 2004, ¥11.7 billion of Nissay Information Technology's ¥34.6 billion in sales came from outside of the Nippon Life Group.

Initiatives to Promote Alliances by Business Field

Our alliance strategy is aimed at offering customers the best, most comprehensive insurance services, and our basic policy is to move forward steadily in implementing the following initiatives:

- 1) When new services are needed, conclude alliances with the strongest company in that business field, and
- 2) Build an infrastructure that is common throughout society, and in the business areas where priority must be given to cost reduction, work together with a broad range of partners.

<http://www.nissay.co.jp/kaisya/annnai/group.html>

<http://www.nissaydowa.co.jp/>

<http://www.nam.co.jp/>

<http://www.nissay-it.co.jp/>