

CHAPTER 1

Business Performance in Fiscal 2006

Results and Achievements in Fiscal 2006	6
Dividend Payout Ratio and Equity Replacement Ratio	12
Improved Policyholder Dividends	14
Soundness of Management Based on Various Indicators	15
Reflecting Customer Opinions in Business	16

Summary of Performance (pp. 6-9)

■ Customer Service Innovation Project

Nippon Life has started working on the Customer Service Innovation Project, a Companywide effort to strengthen the entire business system and to drastically review the evaluation system for front-line sales.

■ Efforts in Each Field

Individual Market Sales

The number of new policies for the individual market saw an 8.3% year-on-year decline, while the amount of new policies including death protection dropped 25.4%. Insurance premiums remained at nearly the same level. This was due to a decrease in sales of mortality insurance products, which have a high numerical share, as well as brisk sales of savings-type products. The number of policies in force slipped 2.2%, the amount of death protection dropped 5.6% and annualized premiums for policies in force edged down 0.7%.

Corporate Market Sales

Group insurance policies and group annuities in force were steady, rising 1.1% and 2.6%, respectively.

Non-Life Insurance Field

In the field of non-life insurance, Nippon Life promoted sales of non-life insurance through sales representatives working as agents of Nissay Dowa General Insurance Company, Limited and strengthened its system of sales for the corporate market.

Overseas Business Field

In the dramatically expanding Asian life insurance market in particular, we took steps to strengthen our existing business and also investigated entry into new areas.

Asset Management Field

In addition to accumulating more public and corporate bonds, with domestic interest rates rising, we changed our domestic bond portfolio, invested in asset-backed securities and accumulated foreign bonds when the yen appreciated. Income from such sources as interest and dividends climbed 8.1% and unrealized capital gains from domestic stocks amounted to ¥6,455.0 billion.

Efforts to Reflect Customer Feedback in Business

We continued to study proposals for improvement based on customer feedback and implemented 337 measures based on these proposals.

Social and Public Activities

Nippon Life planted and nurtured trees in 17 locations throughout Japan and presented approximately 200,000 children with invitations to Nissay Masterpiece Theater.

Revenues and Expenditures (p. 10)

Operating income fell 25.5% to ¥330.6 billion while core operating profit expanded 15.2% to ¥730.0 billion.

Assets (p. 11)

- Total assets as of March 31, 2007 amounted to ¥51,841.9 billion.
- Policy reserves came in at ¥40,382.5 billion. We amortized ¥50.0 billion of foundation funds, and the reserve for redemption of foundation funds amounted to ¥650.0 billion.

Summary of Performance

In the fiscal year ended March 31, 2007 (fiscal 2006), despite signs that the Japanese life insurance industry had begun paying policyholder dividends commensurate with their increasing corporate financial soundness, overall consumer confidence in the life insurance companies was lagging due to incidents of improper payment of insurance benefits.

In July 2006, having identified the unauthorized cancellation of insurance policies as a problem related to payment management and business management systems, the Financial Services Agency ordered Nippon Life to improve its business operations. Nippon Life deeply regrets having caused inconvenience and concern and extends its heartfelt apologies to all those who were affected.

In February 2007, upon receiving a request from the Financial Services Agency regarding the status of insurance claim payments, Nippon Life shifted approximately 4,600 internal office staff to inspection, adding to the roughly 1,200 people we already had working in this capacity, thereby constructing a Companywide system with inspection as its highest priority. Nippon Life will swiftly and accurately carry out its inspection duties and, based upon the results of this action, will respond to customers in a serious manner, doing everything within its power to regain customer confidence.

With respect to our performance in the insurance business, despite the positive performances of corporate market sales and life insurance agencies, overall results were extremely disappointing due to fewer policies sold year-on-year, an increasing trend of customer defections that shows no signs of abating, and other factors. As for earnings and financial soundness, core operating profit rose and we continued to work on building a strong financial foundation. Backed by a solid financial foundation, our policy is to return higher dividends to policyholders.

Consequently, in fiscal 2006, Nippon Life faced a major crisis in terms of both regaining customer confidence and sustaining insurance

business performance. Therefore, as described below, we initiated our “Business Improvement Plan” as part of our Customer Service Innovation Project. In addition, with the full support of the entire Nippon Life organization, we initiated a number of measures to regain customer trust and turn business around. Among these measures was a thorough reexamination of our system for evaluating front-line sales performance with the goal of creating more effective customer service programs.

Specific measures Nippon Life has implemented are as follows.

■ Customer Service Innovation Project

Nippon Life is taking the aforementioned order to improve business operations with the utmost seriousness and in August 2006 submitted a Business Improvement Plan to the Financial Services Agency that seeks to drastically reorganize, from the customer’s perspective, all areas of business, including the insurance payment management system, business management system and solicitation management system. Nippon Life is calling this the Customer Service Innovation Project and under it the entire Company is working together as one to reinforce employee awareness that the payment of insurance claims is the most basic and critical function of the life insurance business.

Establishment of Payment Management System

With respect to the payment management system, the essential understructure of the life insurance business, we are strengthening our training of assessment specialists and our internal organization with the aim of providing more equitable and appropriate underwriting and claims and benefit assessment. At the same time, Nippon Life is implementing the following four measures to hasten the introduction of additional systems capable of efficiently handling today’s increasingly complex insurance products in order to improve their accuracy while making them faster to fill out and easier for customers to understand.

i) Verification and Review of the Payment-Related Administrative Process

Nippon Life focused on addressing existing administrative problems from the customer's perspective. Specifically, we rigorously verified the consistency of insurance terms and conditions and the appropriateness of administrative procedures. In addition, we conducted a comprehensive inspection to determine whether all insurance claims (settlements) scheduled for payment over the last five-year period from fiscal 2001 through 2005 had actually been paid. Consequently, we investigated whether additional payments to customers were required and implemented measures to improve the administrative process.

ii) Providing More Thorough Customer Explanations

Nippon Life compiled a booklet entitled *About the Receipt of Insurance Claims*, which clearly explains how insurance claims and benefits are paid and contains a revised explanation about policy cancellation. Moreover, in October 2006, for customers who dispute claim and benefit payments, we established a dedicated customer service counter for direct consultations and created a request system offering free consultation with outside attorneys. We also took steps to improve the functioning of the Claims-Related Services Review session, which deliberates on payment-related complaints, by increasing the number of outside attorneys that make up this session and reviewing and reassessing cases brought to our attention by our request system.

iii) Developing and Building System Infrastructure

In September 2006, Nippon Life put into operation its first underwriting system for the accurate and swift handling of insurance claim inquiries and requests from customers. This system centralizes and shares assessment data and manages work progress, tasks that had previously been done manually. In addition, we have been considering a next generation underwriting system capable of supporting assessment decision-related functions. Moreover, we initiated a sweeping review of the existing system, covering all areas of customer service, from enrollment to claims payment. We will define each year's plan for the development and building of this system infrastructure and move ahead with its implementation.

iv) Organizational Development and Personnel Training

With regard to strengthening administrative and service management systems, in October 2006, Nippon Life established the Administrative Development Headquarters, making the president as the division general manager of the division to enable more focused deliberation. In March 2007, the structure of our organizational headquarters, which manages payments, was transformed from a two-division to a five-division set up, thereby creating an integrated system capable of efficiently managing each of its functions.

In October 2006, we allocated nearly 100 people to work primarily in the area of payment management and instituted the Human Resource Training Project, a development curriculum and an improved internal qualification system, with the goal of strengthening the training and development of skilled personnel.

Stronger Business Management System

In order to create a stronger business management system for internal control and to handle complaints, we adopted an approach entailing greater outside participation (outside experts, directors, etc.) and implemented the following six measures.

i) Establishment of Operations Oversight Committee

In January 2007, Nippon Life established the Operations Oversight Committee to further increase the effectiveness and independence of internal audits. This committee receives requests from the Board of Directors and supervises and oversees all the business affairs of the

Company. To secure outside involvement, outside directors and three employees who are also policyholders participate in the committee. Also participating as a committee member is one director who is exclusively in charge of the auditing department. This director, in accordance with the discussions and resolutions of the Operations Oversight Committee, and through his or her leadership and direction, works to increase the effectiveness of the internal audit.

ii) Adoption of an Executive Officer System

For the swifter execution of business based on front-line sales and practices and to clearly define the execution of duties, Nippon Life adopted an Executive Officer System in January 2007. At the same time, to speed up decision making by the Board of Directors and stimulate discussion at our board meetings, we plan to reduce the total number of directors, and, based on a resolution passed in July 2007 at the General Meeting of Representatives, increase the number of outside directors.

iii) Stronger Internal Audit System and Independent Auditor Performed Audit System

Nippon Life secured the independence of the auditing department's business execution line and increased the number of assessment specialists with a view to further enhancing the business oversight function.

In addition, we established an auditing office in Osaka to improve audits. To further improve our auditing system, we intend to appoint full time auditors from outside the Company in line with a resolution passed at the General Meeting of Representatives in July 2007.

iv) Stronger Compliance and Risk Management Systems

In September 2006, the president was appointed as the Committee Chairperson of the Compliance Committee, an advisory body of the Management Committee, and an attorney was appointed as an outside member. Also, we created the position of compliance general manager (compliance officer). This officer monitors compliance status and is exclusively in charge of compliance at not only branches but also headquarters offices.

In January 2007, we established the Risk Management Department, which works in cooperation with the existing Investment Risk Management Department, the Administrative Risk Management Department and the System Risk Management Department, thereby constituting a system for the integrated management of Companywide risk.

v) Establishment of Solicitation Management System

To overcome such challenges as the rapid attrition of sales representatives and falloff in insurance policy renewals, in March 2007, we restructured day-to-day customer services, particularly after-sales and consulting services, identifying them as the "primary job" of sales representatives. At the same time, we fundamentally revised our evaluation system for sales offices and sales representatives, emphasizing efforts undertaken in their "primary job." Furthermore, to strengthen sales representative training and development, we took steps to improve sales representative morale and consulting capabilities and continued to place greater emphasis on compliance training.

vi) Improved Complaint Response System

Nippon Life established a basic complaint response system policy and clearly defined procedures for responding to complaints as well as an organization for centralizing complaint management and a system to support it. Consequently, we conducted a multifaceted analysis of complaint causes, and, as a preventive measure, we decided that we would make same-day response to customer visitation requests a top priority. In addition, our monthly major complaint response meeting provides a forum for studying measures to ensure swift complaint settlement.

Moreover, we have started to disclose in each quarter the number of complaints and the status of claim and benefit payments.

Efforts in Each Field

Individual Market Sales

In fiscal 2006, Nippon Life undertook the following with a focus on maintaining and increasing the number of its customers.

First, with an eye toward enhancing our service through customer visits, we worked assiduously to provide immediate same-day response to customer requests for Nippon Life sales representatives to visit them. We also worked to furnish customers with a greater variety of information, including that related to medical and health issues. In addition, we promoted sales of *Ikiru Chikara EX* policies and *Iryo Meijin EX* medical life insurance policies and strived to offer products adapted to customer needs by raising assumed I/R (investor return) on single-payment products in February 2006 and June 2006. To train our next generation of sales leaders, front-line sales personnel and headquarters cooperated in an in-depth education and training program that was delivered to every one of our sales representatives. The number of sales representatives* decreased 3,708 year on year to 47,019 as of March 31, 2007. However, the number of key sales representatives, those with superior sales and service capabilities, increased by 282 to 8,333.

Life insurance agency sales grew dramatically on the back of higher sales of corporate products and savings-type insurance products through banks and other outlets. This sales channel is steadily expanding as our second major channel after sales representatives.

Performance of Individual Insurance and Individual Annuities

Fiscal years ended March 31		2007	Rate of increase	2006	2005
Total of individual insurance and individual annuities	Amount of new policies	¥ 11,449.5	(25.4)%	¥ 15,347.8	¥ 18,151.3
	Decrease in amount of policies	25,596.6	(7.6)	27,688.1	30,058.3
	Annualized premiums on new policies	272.6	0.0	272.6	256.4
	Number of policies sold (thousands)	1,230	(8.3)	1,340	1,270

As of March 31		2007	Rate of increase	2006	2005
Total of individual insurance and individual annuities	Amount of policies in force	¥239,926.1	(5.6)%	¥254,073.2	¥266,413.5
	Annualized premiums for policies in force	3,278.8	(0.7)	3,302.2	3,330.4
	Number of policies in force (thousands)	156.0	(2.2)	15,950	16,340

Notes: 1. Amount of new policies and annualized premiums on new policies includes net increase due to conversions.

2. Number of policies sold represents the total of new policies and policies after conversions.

3. Amount of new policies and decrease in amount of policies represent the total sum of: individual insurance coverage amount, individual annuity resources amount (in the case of policies prior to the start of annuity payments, amount of future annuity payments is translated to value at the start of annuity payments) and policy reserves total amount (in the case of policies after the start of annuity payments, amount of reserves accumulated for future payments of annuities and others.)

4. Annualized premiums, the amount for an entire year, are calculated using coefficients based on the premium payment method. (The premium divided by the coverage period is used for single payments.)

Corporate Market Sales

In the field of group insurance, Nippon Life continued to provide consulting services and plan proposals for the creation of more user-friendly and appealing benefit plans. In response to diversifying customer needs for group credit life insurance, in July 2006, Nippon Life launched dread disease term riders for group credit life insurance.

In the field of group annuities, facing the elimination of the tax-qualified pension plan system (a changeover to a new system), Nippon Life offered new plan proposals. As part of this, we launched an easy-to-design plan, specifically, a defined benefit corporate pension plan for small and medium-sized enterprises. Taken together with companies'

Year-End Amounts of Group Insurance and Group Annuity Policies

As of March 31		2007	Rate of increase	2006	2005
Total group insurance (Coverage amount)		¥84,396.9	1.1%	¥83,518.7	¥81,864.6
	General welfare group term life insurance	25,467.1	5.6	24,122.8	23,374.9
	Optional group term life insurance	23,612.9	0.7	23,448.8	23,211.5
	Group credit life insurance	35,267.7	(1.8)	35,897.9	35,228.3
Group annuities (Policy reserves amount)		9,029.2	2.6	8,800.0	8,797.1
	Separate account	1,820.2	(2.6)	1,868.9	1,731.5

Notes: 1. The coverage amount of new group insurance policies (the increase in premiums and the net increase in premiums from midterm enrollment and withdrawals) for the fiscal year ended March 31, 2007 was down 31.2% to ¥7,234.9 billion, and the decrease in value of policies rose 28.2% to ¥6,356.7 billion.

2. Policy reserves are provisions accumulated for the payment of future annuities and benefits.

We continued to upgrade the services provided at our Life Plazas, customer service counters that reach the customers we are unable to visit through proactive telephone-based consulting.

*The number of registered sales representatives does not include sales management or part-time sales staff.

The number of policies sold as a whole was down 8.3% year on year, primarily due to dwindling sales of *Ikiru Chikara EX*. The amount of new policies as of March 31, 2007, calculated as the total of items such as death protection, fell 25.4%. Annualized premiums on new policies remained at nearly the same level as the previous fiscal year due to strong sales of savings-type and corporate products, which have relatively higher insurance premiums.

Although the decrease in amount of policies in force as measured by the total death protection amount improved 7.6% year on year, the decline still exceeded the fall in the amount of new policies.

As a result of the aforementioned factors, as of March 31, 2007, death protection decreased 5.6% compared with a year earlier.

Annualized premiums for policies in force edged down 0.7% year on year, while the number of policies in force slipped 2.2%. Nippon Life will continue efforts to firm up its revenue structure through a recovery in policies in force.

defined contribution pension plans (the national defined contribution pension plan), this plan broadly responds to changing pension needs.

As a result, group insurance policies in force increased 1.1% year on year. In addition, group annuities in force rose 2.6% year on year, and annuity assets managed by the Nippon Life Group companies, including Nissay Asset Management Corporation, were also up 2.6%. As a defined contribution pension investment and management organization, Nippon Life obtained 60 new agreements, bringing the total to 351 agreements and reinforcing its leading position among such organizations. We also strengthened efforts to improve service by enhancing collaboration between sales representatives and corporate marketing managers.

Non-Life Insurance Field

In the field of non-life insurance, we promoted sales, including those of long-term automobile insurance, through sales representatives working as agents of Nissay Dowa General Insurance. We also cooperated with a number of non-life insurance corporate marketing managers from Nissay Dowa General Insurance Company, Limited to help us create a stronger sales structure for the corporate market.

Performance at Nissay Dowa General Insurance Company, Limited

(Unit: Billions of Yen, %)				
As of March 31	2007	Rate of increase	2006	2005
Net premiums (Coverage amount)	¥326.3	1.4%	¥321.7	¥321.8

Overseas Operations

In overseas operations, as our business scale and earnings capacity are as yet underdeveloped, we continued to take steps to expand our business foundations and improve our earnings capacity. Especially in the Asian life insurance market, which is undergoing dramatic growth, we strengthened our existing businesses by investing additional funds in Bangkok Life Assurance Limited and promoting sales of Nissay-SVA Life Insurance Co., Ltd. insurance through banks. We also conducted research on the entry into high-growth markets.

Asset Management Field

In the general account, in addition to accumulating public and corporate bonds expected to provide stable interest income, we changed our domestic bond portfolio in the face of rising Japanese interest rates and invested in domestic asset-backed securities, which yield relatively high returns. Along with investments in stocks with growth potential and

As Nissay Dowa General Insurance also experienced problems in connection with the insufficient payment of claims, the entire Nissay Group is doing everything within its power to regain customer confidence.

higher shareholder returns, we increased foreign bond holdings during the period of the yen's appreciation.

As a result, interest, dividend and other income climbed 8.1% from the previous fiscal year, with dividend income from domestic stocks reaching a record ¥143.5 billion. Unrealized gains on domestic stocks were ¥6,455.0 billion, remaining at a high level. In the separate account, net gain came in at ¥81.5 billion, down 79.0% compared with the previous fiscal year when stock prices rose dramatically. As a result, investment income amounted to ¥1,409.7 billion (down 16.0% year on year) and investment expenses were ¥296.3 billion (up 1.6%), for an investment return in the general account of 2.41% (2.37% in the previous fiscal year). On the other hand, investment return for the separate account for group annuities, which makes up a large portion of separate account investment assets, was challenging from a competitive perspective, rising only 4.43% (21.08% in the previous fiscal year).

Main Asset Management-Related Revenues and Expenditures

(Unit: Billions of Yen, %)				
Fiscal years ended March 31	2007	Rate of increase	2006	2005
Investment income	¥1,409.7	(16.0)%	¥1,677.7	¥1,288.3
Interest, dividends and other income	1,156.3	8.1	1,070.0	980.4
Gain on the sales of securities	101.7	(41.6)	174.2	201.7
Gain from separate accounts, net	81.5	(79.0)	388.0	85.9
Investment expenses	296.3	1.6	291.7	210.8
Loss on sales of securities	102.3	(10.8)	114.7	52.8
Loss on valuation of securities	11.8	33.9	8.8	31.1
Net proceeds from investments	1,113.3	(19.7)	1,386.0	1,077.5
Proceeds from investments in the general account	1,031.8	3.4	998.0	991.6

Note: Gains in the separate account is shown as the net of gains and losses.

Investment Return (General Account)

(Unit: %)			
Fiscal years ended March 31	2007	2006	2005
Investment return	2.41%	2.37%	2.42%

Note: Investment return is calculated as follows:

$$\frac{\text{Investment income} - \text{investment expenses} + \text{valuation gains (under Insurance Business Law Article 112)}}{\text{Average daily asset balance for the year (calculated using the daily average balance method)}}$$

First Treaty Comprehensive Account (Separate Account for Group Annuities)

(Unit: %)			
Fiscal years ended March 31	2007	2006	2005
Investment return	4.43%	21.08%	4.44%
(Reference)	Average performance for past three years 9.71%	Average performance for past five years 6.53%	Average performance for past seven years 1.80%

Reflecting Customer Opinions in Business

In each field of operations, Nippon Life continues to gather new proposals for improvement based on customer opinions and feedback while referring to past proposals. Specifically, we have acted on improvement proposals covering 337 items, including, for example, a proposal that we make existing information materials for maturity benefits easier to understand. Moreover, forms, disclosure-related and other materials

are reviewed at Customer Monitor Meetings and the meetings of the External Advisory Board for Life Insurance Application Forms, which are attended by outside experts from whom we receive direct advice. In addition, we are making efforts to reflect evaluations and opinions obtained through customer satisfaction surveys, which we have been conducting since 2002, through continuing business improvement.

Social and Public Activities

Nippon Life promotes social and public programs as one of the pillars of its corporate social responsibilities (CSR).

We made progress in environmental protection activities based upon ISO 14001 certification, which we obtained five years ago. We also pressed ahead with a forest preservation program, planting and nurturing trees in 17 locations throughout Japan. Since fiscal 1992, we have planted approximately 1.16 million trees at a total of 170 locations throughout Japan.

In the area of cultural activities and child education support, we invited approximately 200,000 children to the Nissay Masterpiece Theater, bringing the cumulative total number of children who have participated in the program since 1964 to around 6.65 million. Moreover, we have been aiding private-sector groups that promote the healthy development of children. We provided aid to 331 such groups during fiscal 2006, for a cumulative total of 9,899 groups since 1979.

Revenues and Expenditures

Operating Income

Total revenues were ¥6,514.0 billion, a year-on-year decrease of 4.8%. Revenues came mainly from income from insurance and reinsurance premiums, which edged up 0.2% to ¥4,854.3 billion, and from investment income, which declined 16.0% to ¥1,409.7 billion. Total expenditures were ¥6,183.4 billion, a year-on-year decrease of 3.3%. The main sources of expenditure were insurance claims and other payments, which dropped 13.8% to ¥3,831.1 billion, and provision for policy reserves and others, which jumped 53.7% to ¥1,019.1 billion. To increase the soundness of income from individual annuities, for which a continued negative spread is expected, in fiscal 2006 we began a five-year course of further increasing the amount of policy reserves. Provision for policy reserves and others in fiscal 2006 includes ¥280.4 billion of additional policy reserves.

As a result, operating income was ¥330.6 billion, a year-on-year decline of 25.5%, and core operating profit was ¥730.0 billion, a rise of 15.2%. Although core operating profit increased, the decline in operating income was due to net capital losses, which are reflected only in operating income, and extraordinary losses.

Note: The estimated amount of the provision of the additional policy reserves for the five-year period from 2006 to 2010 is ¥1,168.4 billion.

Operating Income

(Unit: Billions of Yen)			
Fiscal years ended March 31	2007	2006	2005
Core operating profit	¥ 730.0	¥ 633.6	¥ 550.1
Capital gains/losses	(118.9)	(14.5)	67.6
Extraordinary profits/losses	(280.4)	(175.3)	(260.4)
Operating income	330.6	443.7	357.4

- Notes: 1. Core operating profit + (capital gains/losses + extraordinary profits/losses) = operating income
 2. Capital gains/losses include profit/loss on sales of securities and profit/loss from securities revaluation.
 3. Extraordinary profits/losses include provision for policy reserves and others and provision for contingency reserves and others.

Extraordinary Profits and Losses

Extraordinary profits totaled ¥46.1 billion, and extraordinary loss was ¥52.4 billion, down 68.5% year on year, due to the recording of ¥26.0 billion in provision for reserve for price fluctuations of investments in securities.

Note: As the rate of extraordinary profit and loss increase exceeded 1,000%, its entry has been omitted.

Surplus in the Current Year

The surplus in the current year, which reflects operating income after such adjustments as extraordinary profits and losses and income taxes, was ¥300.2 billion, an increase of 30.7% year on year.

Main Items in Statements of Operations (Non-Consolidated Basis)

(Unit: Billions of Yen)			
Fiscal years ended March 31	2007	2006	2005
+ Total revenues	(1) ¥6,514.0	¥6,839.4	¥6,398.0
Income from insurance and reinsurance premiums	4,854.3	4,842.2	4,829.7
Investment income	1,409.7	1,677.7	1,288.3
Interest, dividends, and other income	1,156.3	1,070.0	980.4
Gain on sales of securities	101.7	174.2	201.7
Gains from separate accounts, net	81.5	388.0	85.9
Other revenues	250.0	319.4	279.8
- Total expenditures	(2) 6,183.4	6,395.6	6,040.5
Insurance claims and other payments	3,831.1	4,442.3	4,647.8
Provision for policy reserves and others	1,019.1	662.8	192.6
Provision for policy reserves	964.3	623.8	151.6
Investment expenses	296.3	291.7	210.8
Loss on sales of securities	102.3	114.7	52.8
Loss on valuation of securities	11.8	8.8	31.1
Operating expenses	547.5	536.3	545.2
Other expenditures	489.3	462.4	444.0
= Operating income	(3) 330.6	443.7	357.4
+ Extraordinary profits	46.1	1.3	42.0
Gain on disposal of fixed assets	38.3	1.3	4.6
Reversal of allowance for doubtful accounts	7.7	—	37.3
- Extraordinary loss	52.4	166.3	186.7
Loss on disposal of assets	19.8	36.0	47.6
Impairment loss	5.3	77.8	—
Provision for reserve for price fluctuations of investments in securities	26.0	51.0	135.0
Losses on valuation of real estate	—	—	2.4
= Extraordinary profits (loss)	(4) (62)	(164.9)	(144.7)
= Surplus before income taxes	324.3	278.8	212.6
- Income taxes, current	141.2	142.9	124.0
- Deferred income taxes	(117.1)	(93.9)	(107.1)
= Surplus in the current year	(5) 300.2	229.8	195.7
+ Reversal of revaluation reserve for land	(6) —	5.7	6.7
+ Reversal of reserve for assisting social public welfare	(7) —	1.2	1.5
= Unappropriated surplus [(1)+(2)+(4)+(5)+(6)+(7)]	—	236.8	203.9

Balance Sheets

Assets

Total assets at the end of the year were ¥51,841.9 billion, a rise of ¥1,299.3 billion from a year earlier. General account assets were ¥49,562.6 billion, an increase of ¥1,354.6 billion from a year earlier; and separate account assets totaled ¥2,279.2 billion, a decrease of ¥55.2 billion from a year earlier.

Main Balance Sheet Items (Non-Consolidated Basis)

(Unit: Billions of Yen)			
As of March 31	2007	2006	2005
ASSETS			
Cash and deposits	¥ 806.1	¥ 915.0	¥ 364.0
Call loans	259.2	553.7	363.1
Monetary receivables purchased	1,334.6	1,391.6	1,456.6
Proprietary trading securities	2.0	2.0	2.9
Assets held in trust	195.5	177.0	144.6
Investments in securities	37,330.2	35,283.4	31,331.8
Domestic bonds	16,959.0	16,426.5	16,078.7
Domestic stocks	12,025.6	11,250.7	8,176.6
Foreign securities	7,783.6	7,039.7	6,372.1
Loan receivables	9,726.7	9,999.1	10,317.2
Policy loans	1,209.4	1,263.4	1,325.8
Industrial and consumer loans	8,517.2	8,735.7	8,991.3
Real estate and movables, net of accumulated depreciation	—	1,708.5	1,800.7
Tangible fixed assets	1,663.6	—	—
Intangible fixed assets	142.5	—	—
Reinsurance receivables	0.3	0.4	0.4
Other assets	404.8	549.4	824.2
Customers' liabilities for acceptances and guarantees	8.1	2.0	—
Allowance for doubtful accounts	(32.1)	(39.9)	(46.5)
[General account] total	(1) [49,562.6]	[48,208.0]	[44,410.2]
[Separate account] total	(2) [2,279.2]	[2,334.5]	[2,149.1]
Total assets [(1)+(2)]	¥ 51,841.9	¥ 50,542.5	¥ 46,559.4

Note: Total separate account assets consist of the assets in the separate account for individual variable insurance, separate account for individual variable annuities, separate account for group annuities and separate account for defined contribution pensions.

Liabilities and Capital

Policy reserves as of March 31, 2007 totaled ¥40,382.5 billion, a ¥964.3 billion increase from a year earlier.

With regard to foundation funds, ¥50.0 billion was amortized as initially planned. As a result, the reserve for redemption of foundation funds was ¥650.0 billion.

(Unit: Billions of Yen)			
As of March 31	2007	2006	2005
LIABILITIES			
Policy reserves and others	¥41,887.2	¥40,957.4	¥40,391.0
Reserve for outstanding claims	244.9	227.2	239.2
Policy reserve	40,382.5	39,418.1	38,794.3
Reserve for dividends to policyholders	1,259.8	1,312.0	1,357.4
Reinsurance payables	0.2	0.4	0.4
Other liabilities	1,523.8	1,900.2	1,731.4
Accrued bonuses for directors and corporate auditors	0.1	0.1	—
Accrued severance indemnities	427.2	410.8	392.9
Accrued retirement benefits for directors	5.6	—	—
Accrued loss from supporting closely related companies	0.5	0.6	0.6
Reserve for price fluctuations in securities investments	467.2	441.2	390.2
Deferred tax liabilities	1,510.3	1,380.0	354.9
Deferred tax liabilities for land revaluation reserve	179.5	181.5	34.9
Acceptances and guarantees	8.1	2.0	—
Total liabilities	46,010.2	45,274.6	43,296.7
CAPITAL			
Foundation funds	—	300.0	200.0
Reserve for redemption of foundation funds	—	600.0	550.0
Reserve for revaluation	—	0.6	0.6
Surplus	—	350.1	314.4
Legal reserve for deficiency	—	7.4	6.7
Voluntary surplus reserve	—	105.9	103.7
Unappropriated surplus	—	236.8	203.9
Revaluation reserve for land, net of tax	—	(93.6)	61.8
Net unrealized gains on securities, net of tax	—	4,110.7	2,135.7
Total capital	—	5,267.9	3,262.7
Total liabilities and capital	—	¥50,542.5	¥46,559.4
NET ASSETS			
Foundation funds	(1) ¥ 250.0	—	—
Reserve for redemption of foundation funds	(2) 650.0	—	—
Reserve for revaluation	(3) 0.6	—	—
Surplus	(4) 408.1	—	—
Legal reserve for deficiency	8.1	—	—
Other surpluses	400.0	—	—
Of which, unappropriated surplus	292.6	—	—
Total equity [(1)+(2)+(3)+(4)]	1,308.7	—	—
Net unrealized gains on securities, net of tax	(5) 4,607.7	—	—
Deferred gain on derivative under hedge accounting	(6) 0	—	—
Land revaluation difference	(7) (84.9)	—	—
Total valuations, conversions and others [(5)+(6)+(7)]	4,522.8	—	—
Total net assets	5,831.6	—	—
Total liabilities and net assets	¥51,841.9	—	—

DIVIDEND PAYOUT RATIO AND EQUITY REPLACEMENT RATIO

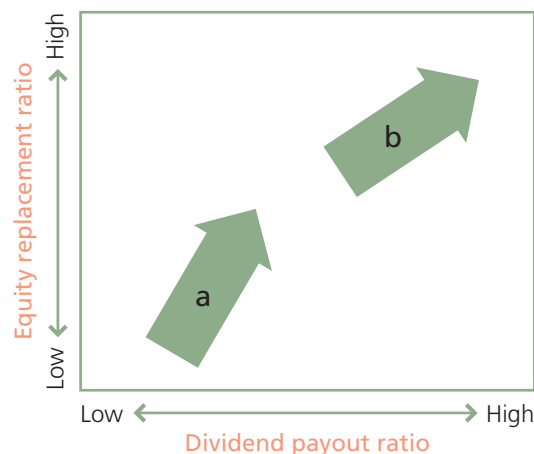
Medium- to Long-Term Business Goals and Announcement of New Indicators

Life insurance contracts are long-term agreements with customers that typically extend over 20- to 30-year periods from the time the customer enters the agreement until insurance claims are paid out. Nippon Life faithfully makes these payments and will fulfill this responsibility to its policyholders into the future. Nippon Life will take steps to improve dividend payouts to policyholders and will continue to strengthen equity, which serves as the foundation for the payment of dividends.

To aid in our policyholders' understanding of our performance with regard to the above two commitments—both how we have progressed and what issues need to be addressed—from fiscal 2006 we have adopted disclosed two indicators—the dividend payout ratio and policyholders' equity replacement ratio. We would like to maximize policyholders' value by returning annual dividends to policyholders and by accumulating foundation funds, which can serve as the foundation for future dividends.

Improving the **dividend payout ratio** and **equity replacement ratio** involves:

- a) placing emphasis on raising the equity replacement ratio until a requisite level of equity is achieved and,
- b) thereafter, placing emphasis on raising the dividend payout ratio, with importance given to raising both it and equity reserves in a balanced manner. As Nippon Life has already accumulated reserves of ¥3.0 trillion, its emphasis moving forward will be on making further dividend payouts to policyholders.



Improving Dividend Payouts to Policyholders
Increasing Dividend Payout Ratio

69%

As of March 31, 2007
(42% as of March 31, 2006)

Foundation Funds (*Kikin*) and Reserves
Foundation funds (*kikin*) and reserves include the foundation funds, the reserve for redemption of foundation funds under net assets, and contingency reserves, etc., and are included under liabilities on the balance sheets. Foundation funds are designated as a financial resource against risks, excluding unrealized gains on securities that are easily influenced by economic conditions.

The dividend payout ratio is the ratio of the provision for reserve for policyholder dividends to the available financial resources (reserve for policyholder dividends + increased amount of foundation funds and reserves) in the current fiscal year. At the closing of each fiscal year, Nippon Life allocates provision for reserve for dividends to policyholders and the raising of foundation funds and reserves in a well-balanced manner. That is, while we work to return profits to policyholders every year, at the same time we increase the amount of foundation funds and reserves, thereby enabling us to maximize total policyholder profits. For the foreseeable future, our goal is to achieve a dividend payout ratio of more than 50% each year and raise it constantly over the medium to long term.

In fiscal 2006, thanks to a substantial dividend increase, Nippon Life made provisions for reserve for dividends to policyholders amounting to ¥239.6 billion, a ¥59.7 billion year-on-year increase, and recorded available financial resources of ¥345.0 billion, translating to a dividend payout ratio of 69%.

Dividend Payout Ratio = 69%

Reserve for Policyholder Dividends	¥239.6 billion
Available Financial Resources*	¥345.0 billion

*Reserve for Policyholder Dividends + Increased Amount of Foundation Funds and Reserves

Maintaining a High Equity Replacement Ratio

67%

As of March 31, 2007

(67% as of March 31, 2006)

The equity replacement ratio is the ratio of foundation funds and reserves to optimum equity. Taking the meaning of shareholders' equity in the broadest sense of the term, Nippon Life works to build up foundation funds and reserves, the balance of which was ¥3,234.5 billion as of March 31, 2007. Equity safeguards against conditions that could lead to the Company's insufficient payment of claims and benefits in violation of the terms of the policies it writes. Such conditions include continuing dramatic changes in stock prices and continuing low interest rates, or various business risks, including massive natural disasters.

Nippon Life's most important business challenge has been to build up its equity to ¥3,000.0 billion, a goal it achieved. Moving forward, after a more rigorous evaluation of business risk, Nippon Life calculated "optimum equity" and has set a medium- to long-term equity target of ¥4,800.0 billion (as of March 31, 2007), which would be the highest level among insurance companies in the world. The "equity replacement ratio" indicates the extent of our success in achieving this target, and, as of March 31, 2007, stood at 67%. From this point forward, we will continue to work to maintain a balance between this and improved dividend payouts to policyholders with the goal of raising the equity replacement ratio.

Equity Replacement Ratio = 67%

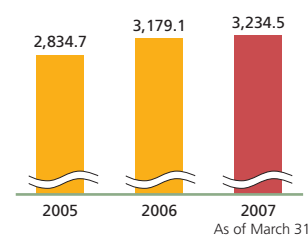
Foundation Funds and Reserves	¥3,234.5 billion
Optimum Equity*	¥4,800.0 billion

Optimum Equity

Optimum equity is the total amount of risk calculated based on Nippon Life's policies in force and asset portfolio. This calculation takes into account the risk of losses on stocks, assuming stock prices will see further sharp declines from the moment they begin to drop and until unrealized gains on stocks become zero, as well as the present assessed value of the future negative spread based on the assumption that large-scale natural disasters will cause the amount of such payments as claims to increase and that tough conditions with low interest rates will prevail.

Trends in Foundation Funds (Kikin) and Reserves

(Unit: Billions of Yen)



Core Operating Profit

Core operating profit mainly consists of income related to insurance (the net of income from premiums less payments for insurance benefits and business costs) and investment operations, including interest and dividend income. It is the fundamental index that reflects an insurance company's earnings position on a flow basis. In fiscal year ended March 31, 2007, core operating profit stood at ¥730.0 billion.

(See p. 116 for details.)

Total core operating profit for the fiscal year ended March 31, 2007 was calculated after taking into account the negative spread for the fiscal year, and it remained at a high level, more than sufficient to pay dividends to policyholders and increase the contingency reserves against future risks.

Negative Spreads

Amid continuing ultra-low interest rate conditions, a deficit is created by the negative difference between the assumed return on insurance

premium investments and actual investment return for some policyholders. This is called negative spread.

Nippon Life's Provision for Negative Spreads

- In addition to covering ¥30.0 billion in negative spread, Nippon Life recorded ¥730.0 billion in core operating profit in fiscal 2006.
- To provide reserves for future negative spreads, Nippon Life has taken the following steps:

For a portion of those policies individual annuities that cannot cover the negative spread, from fiscal 2006, Nippon Life will accumulate and add to the policy reserves based on core operat-

ing profit in order to amortize the negative spread in advance. (See p. 15 for details.)

Based on the assumption that tough conditions with ultra-low interest rates will continue, and Nippon Life has accumulated foundation funds (*kikin*) and reserves to cover possible insufficiencies in the coverage of existing policies based on current net revenues from negative spreads on policies.

Calculation of Negative Spreads

In the life insurance industry, negative spreads are calculated according to the following formula:

$$\text{Negative spread} = (\text{Investment yield return on core operating profit} - \text{Average assumed interest rate}) \times \text{General account policy reserves}$$

[Approximately ¥30.0 billion]	[3.13%]	[3.22%]	[¥35,615.0 billion]
----------------------------------	---------	---------	---------------------

- The investment return on core operating profit is the return on general account policy reserves after deducting the provision for accumulated interest on policyholder dividends from general account investment revenues included in core operating profit.
- The average assumed interest rate is the return of assumed interest on general account policy reserves.
- The general account policy reserves are calculated as follows for policy reserves in the general account, excluding the contingency reserves: (Policy reserves at beginning of period + Policy reserves at end of period - Assumed interest) × 1/2

IMPROVED POLICYHOLDER DIVIDENDS

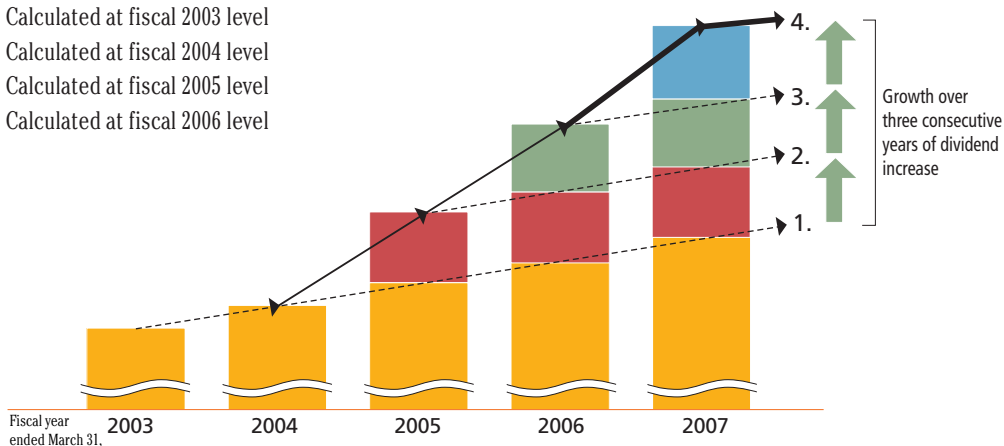
Increased Policyholder Dividends for the Third Consecutive Year

In fiscal 2006, as Nippon Life strengthened its financial standing and improved its ability to handle risk it returned higher dividend payouts to policyholders.

Concerning individual insurance and individual annuities, we raised dividends related to mortality gains (in light of revisions to insurance rates and more stable death rates). As a result, we increased asset management-related dividends based on higher investment yields in three consecutive years.

Trends in Dividend Increase for the EX Series (Policies from April 2, 1999)

1. Calculated at fiscal 2003 level
2. Calculated at fiscal 2004 level
3. Calculated at fiscal 2005 level
4. Calculated at fiscal 2006 level



Policyholder Dividends in Mutual Companies

Life insurance premiums are generally calculated based upon the assumed rates of “assumed interest rate,” “assumed death rate” and other rates. However, because life insurance contracts are long-term agreements, actual conditions may differ from expectations due to changes in the economic environment, increasing management efficiency or other factors. In the event that a surplus is generated by the difference between expectations and actual conditions, the increase is deemed to be cash to be distributed to policyholders based on policy terms as policyholder dividends.

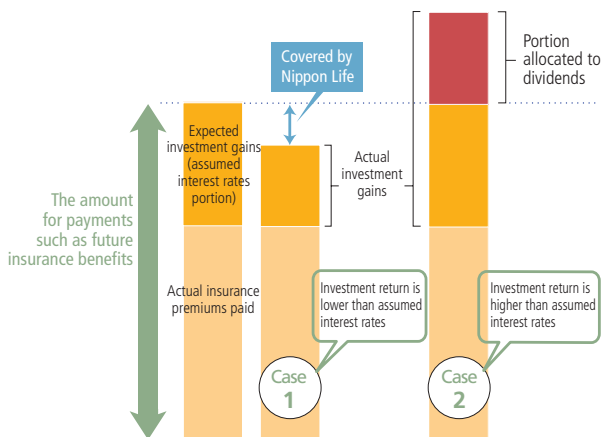
In fact, policyholder dividends could be classified, by nature, as the post-settlement of insurance premiums that were originally calculated based upon assumed rates.

Life insurance contracts can be broadly classified into two categories, namely “participating insurance” where dividend payments are distributed and “nonparticipating insurance” where no dividend payments are distributed.

Nippon Life employs a “participating insurance” mutual company format in which all policyholders are counted as members. For business profits that are deemed “surplus,” the majority is returned to participating insurance policyholders as policyholder dividends.

Dividend Framework (Portion Related to Assumed Rates)

The chart below shows the framework for dividends based on assumed rates. Insurance premiums are calculated while discounting investment gains based on assumed rates. Even if actual investment profits are lower than expected, as in Case 1 below, Nippon Life guarantees this discount on insurance premiums to stay the same.



Please see “Notices of Policy Terms and Conditions,” (p. 28), which are sent out each year to every customer.

SOUNDNESS OF MANAGEMENT BASED ON VARIOUS INDICATORS

In order to properly understand the soundness and profitability of a life insurance company, we believe it is necessary to comprehensively review a variety of indicators, including the following.

Computed Using the Most Conservative Legal Method for Policy Reserves

¥40,382.5 billion as of March 31, 2007
(¥39,418.1 billion as of March 31, 2006)

Life insurance companies are obliged to accumulate policy reserves in order to prepare for payments of future insurance claims, annuities and other benefits. At Nippon Life, we utilize the most conservative legal method (the net premium reserve method) for computing policy reserves. (See p. 131.)

To ensure greater financial soundness of individual annuities, which are expected to see continued negative spreads, we will further build up policy reserves over a five-year period beginning from fiscal 2006 to fully prepare us to meet future payment claims.

Continued High Level of Unrealized Gains on Securities

¥7,483.1 billion as of March 31, 2007
(¥6,572.7 billion as of March 31, 2006)

The unrealized gains on securities indicate the positive difference that exists when the fair value of securities exceeds book value. Unrealized gains on securities is one of the indicators for preparing against risks, although it is affected by economic conditions. (See p. 156.)

Solvency Margin Ratio to Respond to Worst-Case Scenarios

1,324.9% as of March 31, 2007
(1,257.9% as of March 31, 2006)

The solvency margin indicates the leeway to make payments. In addition to the foundation funds (*kikin*) and reserves, it includes unrealized gains (losses) on securities, etc. The solvency margin ratio is one of the indicators for regulatory agencies to determine whether or not a company has the leeway to pay benefits in the event that such a normally unforeseeable risk materializes, such as a major catastrophe or stock market collapse. (See p. 107.)

Continued High Level of Real Net Assets

¥12,054.2 billion as of March 31, 2007
(¥10,663.0 billion as of March 31, 2006)

Real net assets are calculated by subtracting liabilities, other than contingency reserves and other items, from total assets at fair value. Approximating an insurance company's liquidation value, this is one of the indicators used by regulatory agencies.

Unrealized gains on securities
Unrealized gains on securities apply to all securities with fair value. This includes negotiable deposits and items (negotiable deposits, etc.) that are handled as securities under the Securities and Exchange Act of Japan.

Solvency Margin Ratio
The solvency margin ratio is the total value of the solvency margin divided by the quantified amount of all risks exceeding those that can normally be forecast. When this ratio falls below 200%, the regulatory agency will issue an order to improve business performance.

Solvency Margin Ratio

(Unit: Billions of Yen, %)

As of March 31, 2007	
Total solvency margin (A)	¥11,113.8
Foundation funds (<i>kikin</i>) and reserves	3,234.5
Unrealized gains and losses on other securities x 90%	6,458.2
Total amount of risk (B)	1,677.6
Solvency margin ratio (A) / (1/2 x (B)) x 100	1,324.9%

Real Net Assets
Also called the difference between real assets and liabilities. If this figure is negative, it is judged that liabilities exceed assets and the regulatory agency may issue an order to suspend business.

Excellent Ratings from Ratings Companies (as of July 1, 2007)

AA R&I

(Insurance Claims Paying Ability)

AA Fitch

(Insurer Financial Strength Rating)

AA- S&P

(Insurer Financial Strength Rating)

Issued by third party ratings agencies, the ratings are an evaluation of an insurance company's ability to pay insurance claims. (The ratings are not a guarantee that claims and other payments will be made.)

R&I's Definition of "AA" Rating
<http://www.r-i.co.jp>

A very high degree of capacity for payment of insurance claims, and excellence in several key factors of evaluation.

Fitch's Definition of "AA" Rating
<http://www.fitchratings.co.jp>

Insurers are viewed as possessing very strong capacity to meet payment obligations. Extremely low likelihood of payment interruption or discontinuation, and very high capacity to meet policyholder and other policy obligations without delay. Not affected by expected and major adverse changes in circumstances.

S&P's Definition of "AA" Rating
<http://www.standardandpoors.co.jp>

An insurer rated "AA" has extremely high capacity to fulfill insurance policy obligations. Only slightly different from its top ("AAA") rating.

Plus (+) or minus (-) signs following the above ratings show relative standing within the major rating categories.

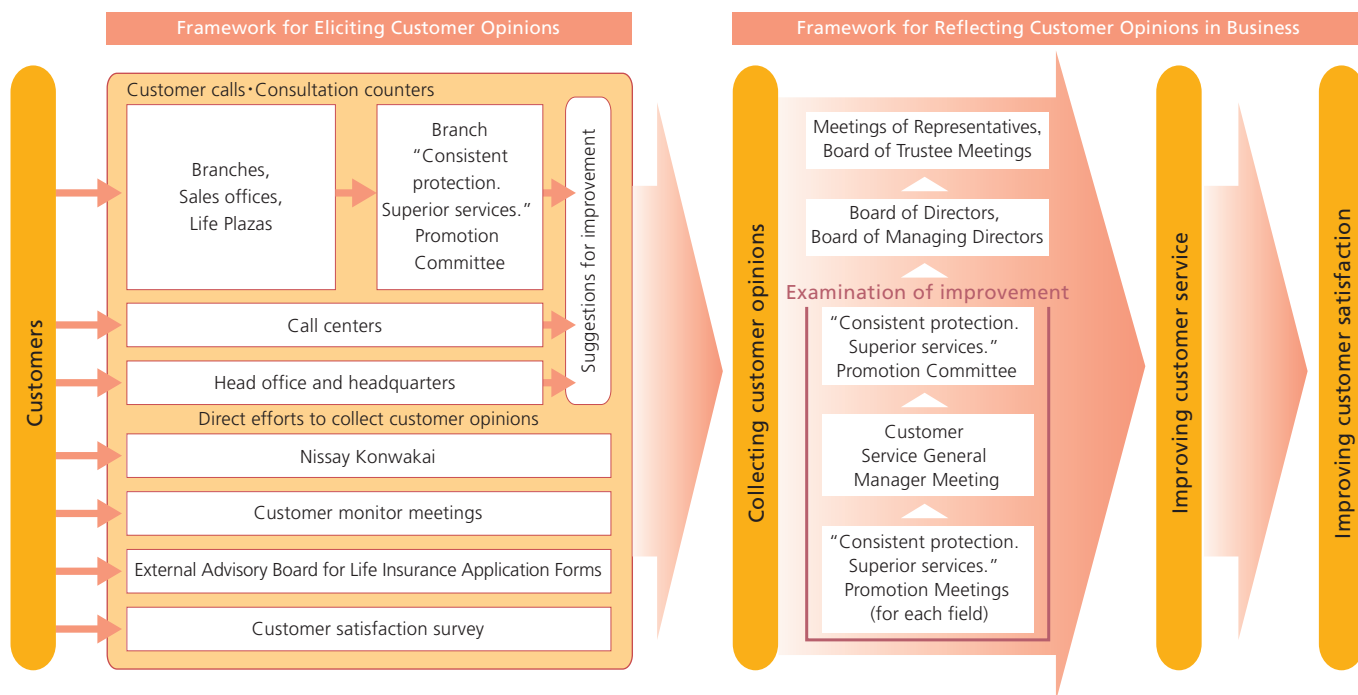
*The above-mentioned ratings are based on information and data up to the time of each rating and are subject to change in the future.

*Nippon Life received the above-mentioned ratings from R&I, Fitch and S&P after officially requesting them and providing detailed information for more accurate evaluation.

REFLECTING CUSTOMER OPINIONS IN BUSINESS

Customer opinions are a precious resource for improving management and services. Requests and complaints received through Nissay Total Partners (sales representatives), customer service counters (Life Plazas and branch service counters), call centers and other channels are collected and analyzed by our experts and help us to improve management and services from the customer's perspective.

Every year we hold Nissay Konwakai at branches throughout Japan. Attended by the members of the Meeting of Representatives and directors, these are meetings that serve as forums for directly hearing a broad sampling of customer opinions and requests. We also solicit advice from both consumers and professionals through Customer Monitor Meetings and meetings of the External Advisory Board for Life Insurance Application Forms. Appraisals and opinions are received through these and the annual customer satisfaction survey, and the analyzed results provide important data for refining management and services.



Improvement Proposals from Customer Opinions (fiscal 2006)

(Unit: cases)

	Improvement Proposals
Branches, Sales offices	9,674
Life Plazas	4,559
Call centers	1,380
Head offices, Headquarters	1,196
Total	16,849

Improvement Measures Based upon Customer Opinions

Based upon customer opinions gathered through branches, Life Plazas, call centers and other means, non-sales personnel make improvement proposals regarding system development, the revision of materials and other issues. These proposals are reflected in initiatives to improve operations and services.

Nissay Konwakai (see pp. 50-51)

Nissay Konwakai are roundtable conferences held every January and February at branches throughout Japan. Business activities are explained to Nippon Life policyholders, and opinions regarding overall management, products and services are received.

Customer Monitor Meetings

At meetings held four times a year (two times each in Tokyo and Osaka), Nippon Life receives opinions regarding its overall customer service activities from commissioned monitors (10 in both Tokyo and Osaka) who have corporate or academic experience in the field of consumer relations.

■ Meetings of the External Advisory Board for Life Insurance Application Forms

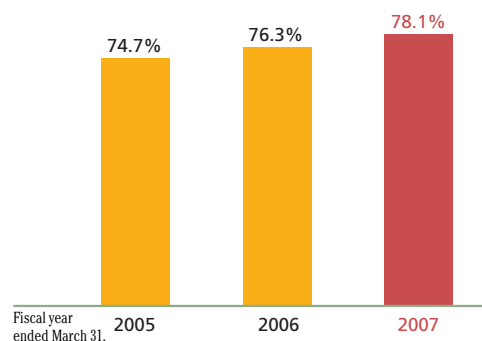
At meetings held six times a year (once in Tokyo and five times in Osaka), external advisory specialists for consumer affairs (eight from Tokyo and five from Osaka) provide opinions from a customer's viewpoint regarding materials and notices for customers.

■ Customer Satisfaction Survey

Through outside institutes, annual surveys are mailed out to approximately 10,000 policyholders, who provide appraisals and opinions regarding Nippon Life products, operations and services.

Overall Customer Satisfaction as Measured by the Customer Satisfaction Survey

*Percent of customers who answered "satisfied" or "somewhat satisfied"



Survey Overview

- Once per year, every October
- Usable answers received from approximately 10,000 policyholders
- Questions cover 163 items in 29 categories such as
 - Responsiveness of sales representative
 - Currently held policies
 - Application procedures for new policies
 - Procedures after enrolling in policies
 - Content of notifications and pamphlets
 - Reliability of Nippon Life
- The options "satisfied," "somewhat satisfied," "somewhat dissatisfied," and "dissatisfied" are given concerning the level of customer satisfaction.

Number of Customer Complaints

To enhance management transparency, in fiscal 2005 Nippon Life began disclosing the number of complaints received from customers. From fiscal 2006, we began disclosing the number on a quarterly basis.

From December 2006, Nippon Life expanded the scope of what it defines as a "complaint" in order to obtain a better understanding of customer opinions and dissatisfaction, aiming to utilize this information in business improvement measures. Under the new definition, a complaint is considered to be "an expression of dissatisfaction by a customer (regardless of factuality)." Previously, a complaint was defined as "an item, from among the expressions of dissatisfaction by customers (regardless of factuality), that requires some sort of response or action by the Company."

Number of Complaints and Issues Raised by Customers in Fiscal 2006

Content	Number	% of total	Primary Examples
Policy enrollment	7,829	16.7%	"I didn't receive sufficient explanation about policy content." "I haven't received an insurance certificate even though I completed enrollment procedures."
Payment of premiums	7,284	15.5%	"The bill I received said that my representative would visit, but nobody has come." "I requested that the drawdown from my bank account be stopped, but it was too late."
Procedures after enrollment	18,664	39.7%	"Why are the policy dividends less than I expected when I enrolled?" "I requested that my policy be cancelled, but I've had no contact from my representative."
Payment of insurance claims and benefits	6,481	13.8%	"I am upset that my claim for hospitalization benefits was rejected as not eligible for payment." "Notice of whether benefits will be paid or not should be made more rapidly."
Others	6,669	14.3%	"The representative was not kind." "I have had almost no visits from my representative since I enrolled."
Total	46,957	100.0%	

Notes: 1. This data is also listed on the Nippon Life website in Japanese.

2. In addition to the number of cases listed above, during the four months from December 2006 to March 2007 a total of 12,474 cases were considered to be complaints due to changes in the in-house definition.

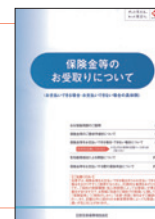
Examples of Improvements Based on Customer Opinions

In response to customer opinions that are gathered at headquarters, Nippon Life formulates countermeasures at various meetings and works to reflect these measures in its business operations. In fiscal 2006, we reviewed customer opinions received through the previous fiscal year and implemented 337 improvement measures related to administrative procedures and services, an increase of 90 measures compared with the previous fiscal year.

Expansion of Easy-to-Understand Administration and Services

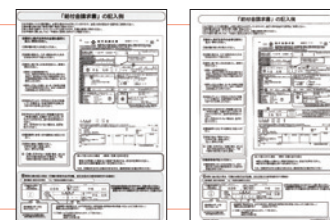
“I would like to have easily understandable materials explaining the sort of cases in which insurance claims and benefits will be paid, including the procedures involved.”

Nippon Life published a new booklet titled *Receiving Insurance Claims and Payments*, which provides concrete examples of cases in which insurance claims and benefits can and cannot be paid, as well as an explanation of the procedures required for receiving payments (from November 2006). (See p. 30.)



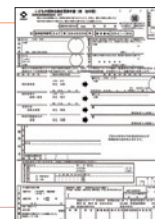
“I would like to have sample forms that show how to fill out applications for insurance claims and benefits.”

We have prepared two types, one for filing by the insured person and the other for filing by a family member of the insured person (from March 2007).



“When I wanted to change the names of the policyholder and the beneficiary on a juvenile insurance policy, I was handed two separate application forms. I wish you would make it so that the procedure can be completed on one easily understood form.”

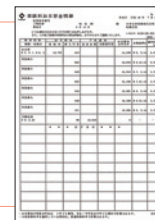
We revised the application so that the procedure can be completed on one form (from March 2007).



“I would like to have a detailed statement listing insurance premiums paid through automatic advances.”

Nippon Life now provides customers with an “Automatic Premium Advance Statement” (from March 2007).

Note: Automatic Premium Advance System: In the event that Nippon Life does not receive premium payments from a customer by the due date, Nippon Life automatically deducts the premium up to the amount of the customer’s surrender benefits.



“I would like to have the procedures for filing claims while outside Japan.”

Nippon Life’s website now features a Q&A section to address the insurance questions of customers who are outside of Japan. Forms may also be printed out (from January 2007).



“I would like to have printed, easy to understand materials explaining reinstatement procedures.”

We now provide a printed booklet that explains reinstatement procedures (from June 2006).

“I would like to see a printed document explaining which premiums have changed from monthly to yearly payment methods.”

Upon request, we now provide statements to explain premium payments (from January 2007).

“I received a pamphlet for *Iryo Meijin EX* (a Nissay hospitalization and medical insurance policy), but I don’t understand until what age I can enroll.”

Nippon Life created a product pamphlet that includes an explanation of age limitations on enrolling in *Iryo Meijin EX* policies (from June 2006).