

# CHAPTER 4

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### Nippon Life's Major Areas of Business

#### Company Purpose

Article 2 of the Articles of Incorporation stipulates the Company's purpose as pursuing business in the following areas:

- a) life insurance business,
- b) provision of agency service or administration services to other insurance companies (including foreign insurers) or financial institutions, giving of guarantees for liabilities, and other businesses incidental to the businesses of the preceding items,
- c) sale and purchase of government bonds, local government bonds or government-guaranteed bonds, handling of the offering or administration and other businesses permitted under the Insurance Business Law of local government bonds, corporate bonds or other debentures, and other businesses which life insurance companies may conduct under the laws other than the Insurance Business Law and
- d) other activities incidental to or relating to the matters referred to in each of the foregoing paragraphs

#### Outline of Business

##### Life insurance business

- a. Underwriting insurance based on life insurance business licenses See p. 54, 55 and 72 for details regarding main insurance products.
- b. Asset management  
Assets, such as monies received as premiums, are mainly invested in the following:
  - 1) Loans  
Call loans and loans extended to corporations and individuals
  - 2) Securities investment  
Investment in securities (including foreign securities) and securities lending
  - 3) Real estate investment  
Investment in real estate, including office buildings

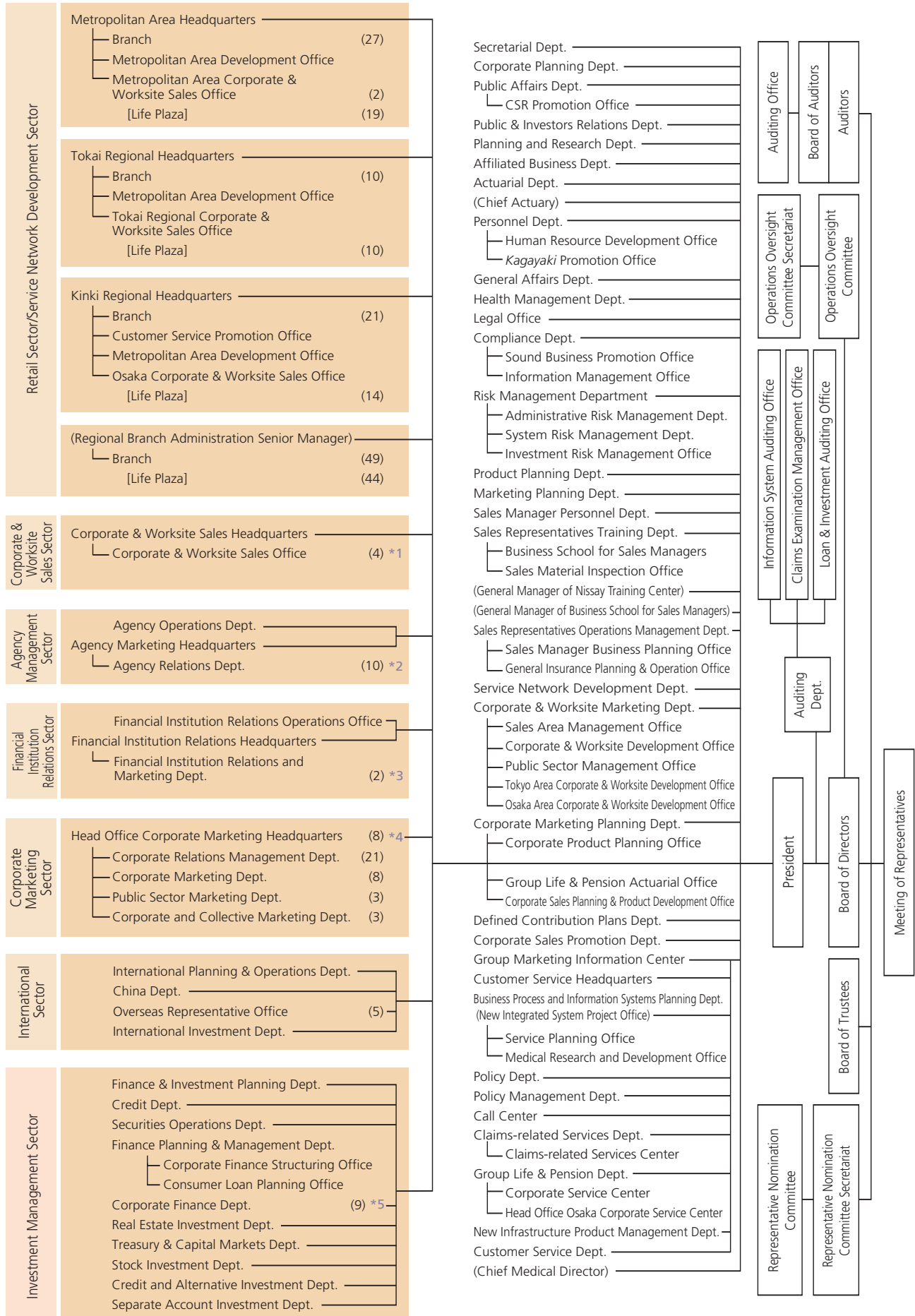
##### Auxiliary and other business

- a. Acting as a proxy for other insurance companies and other financial institutions (such as an agent or proxy for the insurance-related business of Nissay Dowa General Insurance Company Limited)
- b. Provision of credit guarantees
- c. Sales of investment trust beneficiary securities
- d. Management and administration of defined contribution pension plans

# ORGANIZATION

(As of March 25, 2009)

Customer



<b>*1: Four Corporate &amp; Worksite Sales Offices</b>	2nd Corporate Relations Management Dept. (Tokyo)	Tokai Corporate Sales Dept. (Nagoya)
1st Corporate & Worksite Sales Office (Tokyo)	3rd Corporate Relations Management Dept. (Tokyo)	● Head Office Osaka Corporate Marketing Dept. (Osaka)
2nd Corporate & Worksite Sales Office (Tokyo)	4th Corporate Relations Management Dept. (Tokyo)	1st Osaka Corporate Relations Management Dept. (Osaka)
3rd Corporate & Worksite Sales Office (Tokyo)	9th Corporate Relations Management Dept. (Tokyo)	2nd Osaka Corporate Relations Management Dept. (Osaka)
4th Corporate & Worksite Sales Office (Tokyo)	● Head Office 2nd Corporate Marketing Dept. (Tokyo)	3rd Osaka Corporate Relations Management Dept. (Osaka)
	5th Corporate Relations Management Dept. (Tokyo)	Kyoto Corporate Relations Management Dept. (Kyoto)
	6th Corporate Relations Management Dept. (Tokyo)	Kobe Corporate Relations Management Dept. (Kobe)
	7th Corporate Relations Management Dept. (Tokyo)	Hiroshima Corporate Relations Management Dept. (Hiroshima)
	8th Corporate Relations Management Dept. (Tokyo)	1st Osaka Corporate Sales Dept. (Osaka)
	10th Corporate Relations Management Dept. (Tokyo)	2nd Osaka Corporate Sales Dept. (Osaka)
<b>*2: Ten Agency Relations Departments</b>	● Head Office 3rd Corporate Marketing Dept. (Tokyo)	Osaka Corporate and Collective Marketing Dept. (Osaka)
1st Metropolitan Agency Relations Dept. (Tokyo)	1st Public Sector Marketing Dept. (Tokyo)	● Head Office Kyushu Corporate Marketing Dept. (Fukuoka)
2nd Metropolitan Agency Relations Dept. (Tokyo)	2nd Public Sector Marketing Dept. (Tokyo)	Kyushu Corporate Relations Management Dept. (Fukuoka)
3rd Metropolitan Agency Relations Dept. (Tokyo)	3rd Public Sector Marketing Dept. (Tokyo)	
4th Metropolitan Agency Relations Dept. (Tokyo)	1st Corporate and Collective Marketing Dept. (Tokyo)	
5th Metropolitan Agency Relations Dept. (Yokohama)	2nd Corporate and Collective Marketing Dept. (Tokyo)	
Tokai Agency Relations Dept. (Nagoya)	● Metropolitan Corporate Marketing Headquarters (Tokyo)	<b>*5: Nine Corporate Finance Departments</b>
1st Kinki Agency Relations Dept. (Osaka)	1st Corporate Sales Dept. (Tokyo)	1st Corporate Finance Dept. (Tokyo)
2nd Kinki Agency Relations Dept. (Osaka)	2nd Corporate Sales Dept. (Tokyo)	2nd Corporate Finance Dept. (Tokyo)
West Japan Agency Relations Dept. (Okayama)	3rd Corporate Sales Dept. (Tokyo)	3rd Corporate Finance Dept. (Tokyo)
Kyushu Agency Relations Dept. (Fukuoka)	4th Corporate Sales Dept. (Tokyo)	Metropolitan Area Corporate Finance Dept. (Tokyo)
	5th Corporate Sales Dept. (Yokohama)	East Japan Corporate Finance Dept. (Tokyo)
<b>*3: Two Financial Institution Relations Dept.</b>	● Head Office East Japan Corporate Marketing Dept. (Sapporo)	Tokai Area Corporate Finance Dept. (Nagoya)
1st Financial Institutions Relations Dept. (Tokyo)	Hokkaido Corporate Relations Management Dept. (Sapporo)	1st Osaka Corporate Finance Dept. (Osaka)
2nd Financial Institutions Relations Dept. (Tokyo)	Tohoku Corporate Relations Management Dept. (Sendai)	2nd Osaka Corporate Finance Dept. (Osaka)
	● Head Office Tokai Corporate Marketing Dept. (Nagoya)	Kyushu Area Corporate Finance Dept. (Fukuoka)
<b>*4: Eight Head Office Corporate Marketing Departments</b>	1st Tokai Corporate Relations Management Dept. (Nagoya)	
● Head Office 1st Corporate Marketing Headquarters (Tokyo)	2nd Tokai Corporate Relations Management Dept. (Kariya)	
1st Corporate Relations Management Dept. (Tokyo)		

## ■ Headquarters Organization

	(Unit: Number)		
As of March 25	2009	2008	2007
Regional Headquarters	3	3	3
Corporate & Worksite Sales Headquarters	1	1	1
Agency Marketing Headquarters	1	1	1
Financial Institution Relations Headquarters	1	1	—
Head Office Corporate Marketing Headquarters	8	7	7
Customer Service Headquarters	1	—	—
Departments	40	42	42
Offices, Centers	38	39	38
Sections (Known as "Group")	87	86	86
Promotion Office (establish in Sales Headquarters)	1	1	1
Metropolitan Area Development Offices	3	3	3
Metropolitan Area Corporate & Worksite Sales Offices	2	2	—
Corporate & Worksite Sales Offices	6	5	2
Agency Relations Departments	10	10	10
Financial Institution Relations Departments	2	1	1
Financial Institution Sales Promotion Departments	—	1	1
Corporate Relations Management Departments	21	23	21
Corporate Marketing Departments	8	6	6
Public Sector Marketing Departments	3	3	3
Corporate and Collective Marketing Departments	3	3	3
Corporate & Worksite Sales Offices	—	—	2
Corporate Finance Departments	9	9	9

Note: Figures were compiled at March 25 of each year.

## ■ Branch Organization

	(Unit: Number)		
As of March 25	2009	2008	2007
Branches	107	107	109
Branch Offices	10	10	11
Sales Offices	1,346	1,389	1,436
Sales Suboffices	243	227	220
Overseas Representative Offices	5	5	5
Agencies	8,619	7,565	7,282

Notes: 1. Figures were compiled at March 25 of each year.

2. About Branches:

- Branches are organizations that provide consultation and process customers at urban corporate worksite sales locations and customer counters. Branch offices include Metropolitan FP offices that provide advanced consulting sales services backed by a broad field of knowledge in insurance, taxation and asset management.



**Chairman**  
Ikuo Uno



**President**  
Kunie Okamoto



**Vice Chairman**  
Mitsuhiro Ishibashi



**Director and Executive Vice President**  
Eitaro Waki



**Director and Senior Managing Executive Officer**  
Sadao Kato



**Director and Senior Managing Executive Officer**  
Keizo Tsutsui



**Director and Senior Managing Executive Officer**  
Chiaki Hamaguchi



**Director and Senior Managing Executive Officer**  
Yoshikazu Takeda



**Director and Senior Managing Executive Officer**  
Kenichi Kobayashi



**Director and Senior Managing Executive Officer**  
Yoshinobu Tsutsui



**Director and Senior Managing Executive Officer**  
Takeshi Furuichi



**Director and Managing Executive Officer**  
Hiroshi Ishimura



**Director and Managing Executive Officer**  
Hiroshi Manabe



**Director and Managing Executive Officer**  
Yasuomi Matsuyama

**Officers**

**Directors**

Yoshihisa Akiyama  
Akito Arima  
Shin Ushijima  
Kazuo Imai

**Senior Managing Executive Officers**

Kiyoshi Ujihara  
Shigemi Kanamori

**Managing Executive Officers**

Koji Aiba  
Hiroaki Shodono  
Yasushi Ozaki

**Executive Officers**

Yoshiki Sugiyama  
Jyunichi Noro  
Kazuo Kobayashi  
Masami Kuroda  
Taeko Yazaki

Takashi Motoyama  
Tetsuya Miyagawa  
Toshifumi Terada  
Satoru Naito  
Yoshinori Terajima  
Nobusuke Matsui  
Takeshi Hayashi  
Katsuya Hirai  
Shohei Miki  
Hiroshi Shimizu  
Shohei Ueda

**Auditors**

Koji Miyazaki  
(Senior Corporate Auditor)  
Takashi Imai  
Kantarō Toyoizumi  
Keiichi Tadaki  
Yukimasa Okuno  
Makoto Yanagihara

(as of July 2, 2009)

## ■ Number of Employees by Job Function

	Number of Employees (As of March 31)			Number of New Employees (Fiscal years ended March 31)		
	2009	2008	2007	2009	2008	2007
Total non-sales personnel	12,763	11,700	11,149	1,713	1,332	1,006
Male	5,024	4,884	4,701	403	490	384
Female	7,739	6,816	6,448	1,310	842	622
Managerial track	4,099	3,994	3,959	279	275	209
Administrative clerk	3,373	3,313	3,284	—	—	—
Clerk	3,192	2,638	2,326	820	567	373
Total sales representatives	53,311	52,102	51,608	12,453	14,936	16,653
Male	2,853	2,888	3,047	206	179	157
Female	50,458	49,214	48,561	12,247	14,757	16,496
Sales management positions	1,867	1,953	2,096	—	—	—
Male	1,721	1,798	1,936	—	—	—
Female	146	155	160	—	—	—
Sales representatives	51,121	49,915	49,353	12,318	14,830	16,576
Male	809	856	952	71	73	80
Female	50,312	49,059	48,401	12,247	14,757	16,496
Sales management track	323	234	159	135	106	77
Total	66,074	63,802	62,757	14,166	16,268	17,659
Male	7,877	7,772	7,748	609	669	541
Female	58,197	56,030	55,009	13,557	15,599	17,118

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, labor service staff, special contract employees, conservation affairs advisors and non-managerial employees.

3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (1,142 employees as of March 31, 2009, 944 employees as of March 31, 2008 and 1,519 employees as of March 31, 2007.)

4. The number of sales management track includes sales general manager trainees.

## ■ Average Age and Years of Service

As of March 31	Average Age (years)			Average Number of Years of Service (years)		
	2009	2008	2007	2009	2008	2007
Total non-sales personnel	39.8	40.4	40.8	14.9	16.0	17.0
Male	42.4	42.5	42.6	15.2	15.7	16.6
Female	38.1	38.9	39.4	14.6	16.3	17.2
Managerial track	39.9	40.3	40.8	17.5	18.0	18.6
Administrative clerk	43.8	43.6	43.6	24.1	24.1	24.2
Clerk	31.5	32.9	33.8	8.9	10.6	12.5
Total sales representatives	46.1	46.3	46.3	9.3	9.4	9.4
Male	44.2	44.6	44.7	18.7	19.0	18.9
Female	46.2	46.4	46.3	8.8	8.8	8.8
Sales management positions	46.1	45.8	45.5	23.3	23.1	22.8
Male	45.8	45.4	45.0	23.4	23.2	22.8
Female	50.0	50.5	51.5	22.6	22.6	22.5
Sales representatives	46.2	46.4	46.3	8.9	8.9	8.9
Male	48.3	47.8	46.7	15.3	14.8	13.7
Female	46.2	46.3	46.3	8.8	8.8	8.8
Sales management track	25.4	26.6	27.9	2.2	2.6	2.9
Total	44.9	45.2	45.3	10.4	10.6	10.8
Male	43.1	43.3	43.4	16.5	16.9	17.5
Female	45.1	45.4	45.5	9.6	9.7	9.8

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 representatives, medical staff, labor service staff, special contract employees, conservation affairs advisors and non-managerial employees.

3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (1,142 employees as of March 31, 2009, 944 employees as of March 31, 2008 and 1,519 employees as of March 31, 2007.)

4. The number of sales management track includes sales general manager trainees.

## ■ Average Monthly Salary of Non-Sales Personnel

For March	(Unit: Thousands of Yen)		
	2009	2008	2007
Non-sales personnel	360	373	380

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March, excluding bonuses and overtime pay.

2. Non-sales personnel is the total number of non-sales representatives, medical staff, labor service staff, special contract employees, conservation affairs advisors and non-managerial employees.

## ■ Average Monthly Salary of Sales Representatives

Fiscal years ended March 31	(Unit: Thousands of Yen)		
	2009	2008	2007
Sales representatives	282	269	254

Notes: 1. The average monthly salary for each fiscal year is based on tax-inclusive standard salary and excludes bonuses and overtime pay.

2. Excludes deputy subbranch managers, training managers, special subbranch advisors, training center trainers, training assistant managers, SA office trainers, sales management, sales management track, sales general manager trainees, senior planning partners, specially commended sales representatives, specially qualified sales representatives, sales advisors, life agents, sales representative trainees, life insurance agency, SA staff, service support staff and part-time sales staff.

■ Fund Contributors (as of March 31, 2009)

Amount of Fund Contributions	¥200 Billion
Number of Fund Contributors	3

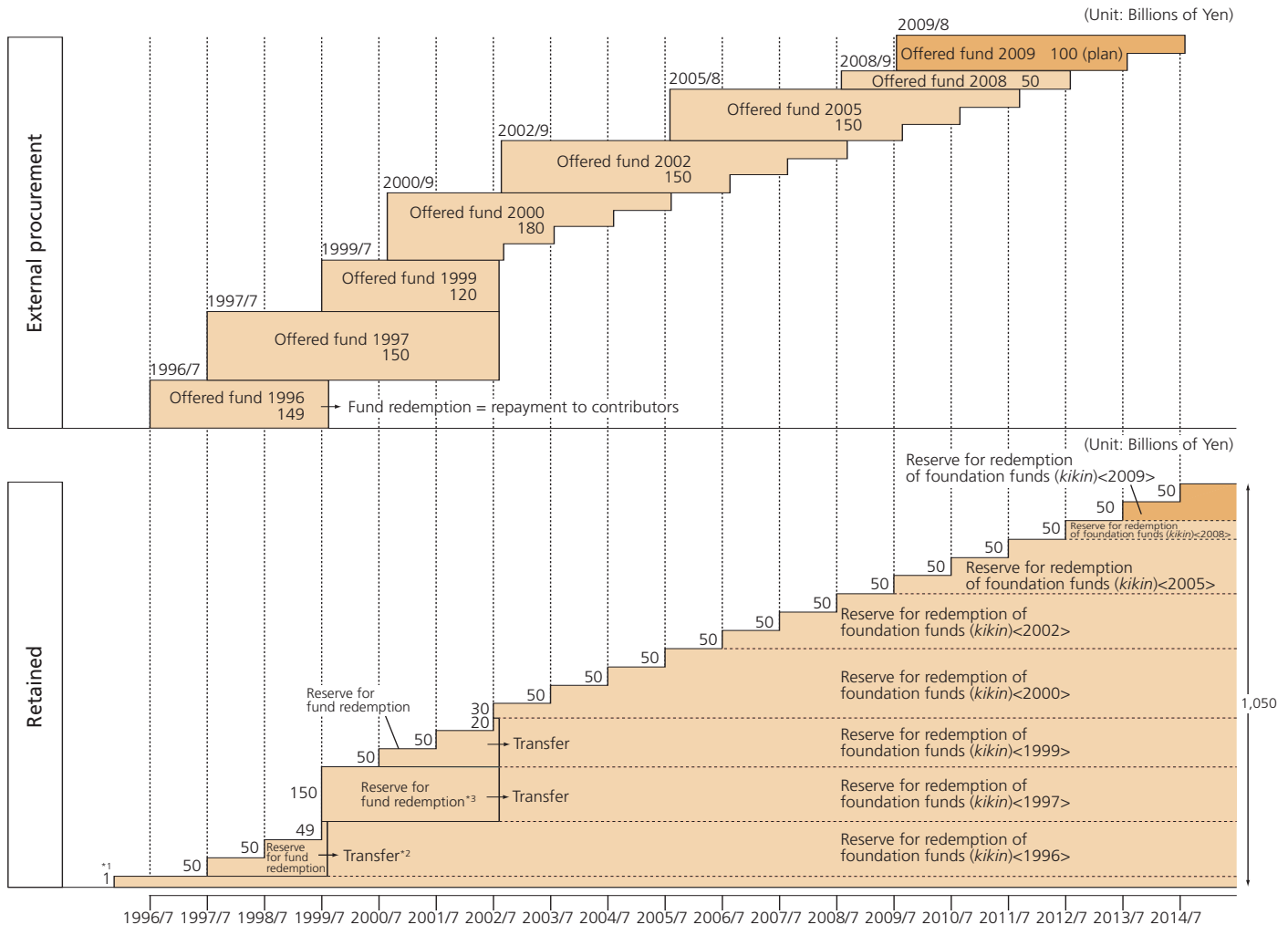
Name of Fund Contributors	Fund Contributions to Nippon Life		Investments of the Company in Fund Contributors	
	Amount (Billions of Yen)	Fund contribution (Percentage)	Shares held (Thousands of shares)	Voting rights (Percentage)
Nippon Life 2005 Fund Special Purpose Company	¥100	50.00%	—	—%
Nippon Life 2005 Fund Global Special Purpose Company	50	25.00	—	—
Nippon Life 2008 Fund Special Purpose Company	50	25.00	—	—

Notes: 1. Nippon Life 2005 Fund Special Purpose Company, Nippon Life 2005 Fund Global Special Purpose Company and Nippon Life 2008 Fund Special Purpose Company issue special corporate bonds backed by claims on the funds. Issuance proceeds are used to purchase claims on the funds. Nippon Life has no specified investments in the Nippon Life 2005 Fund Special Purpose Company, the Nippon Life 2005 Fund Global Special Purpose Company or the Nippon Life 2008 Fund Special Purpose Company.  
 2. Fund contributors are the three above-mentioned entities.

■ Foundation Funds (Kikin) Status

Nippon Life solicits for the foundation funds (*kikin*) as part of efforts to increase its ability to respond to risks. As a result of reoffering funds seven times since revisions were made to the Insurance Business Law in 1996, our total foundation funds (*kikin*), including funds and the reserve for redemption of foundation funds, reached ¥950.0 billion as of the end of the fiscal year ended March 31, 2009. Since the fiscal year ended March 31, 2001, Nippon Life has aimed to expand the number of fund contributors by using securitization methods through a special purpose company. In the fiscal year ended March 31, 2003, Nippon Life made a public offering to general individual investors, and in the fiscal year ended March 31, 2006 Nippon Life made an offering to overseas investors, increasing flexibility in funds procurement. In the fiscal year ending March 31, 2010, Nippon Life plans to solicit an additional ¥100.0 billion in foundation funds, for a total of ¥1,050 billion in foundation funds.

Fund Redemption

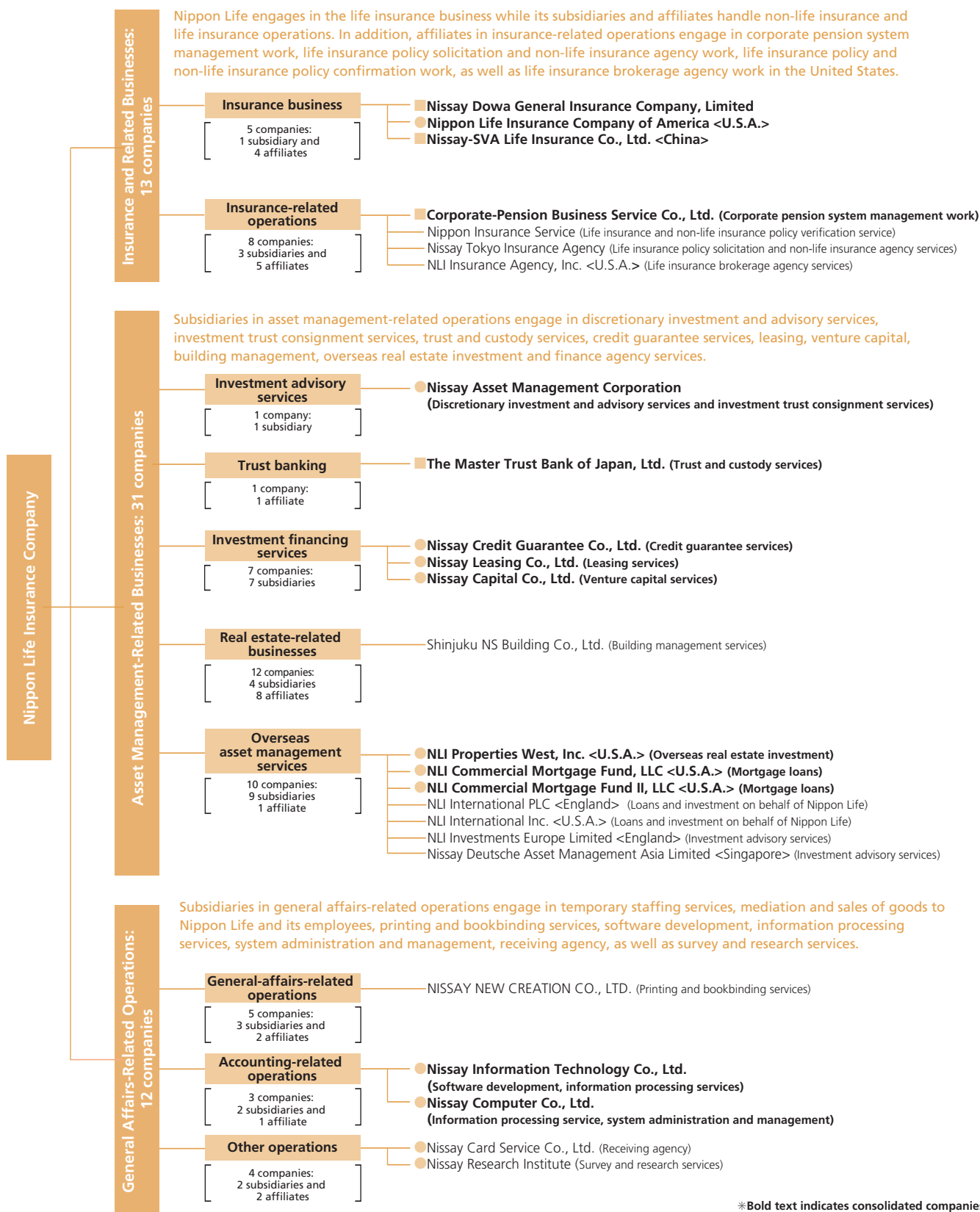


\*1 As stipulated by the Insurance Business Law, minimum fund amount is ¥1 billion.

\*2 Article 56 of the Insurance Business Law: when redeeming the fund, an amount equivalent to the redemption amount must be accumulated as a reserve for redemption of foundation funds. 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 the fiscal year ended March 31, 2000 and the fiscal year ended March 31, 2002 was completed earlier than expected.





\*Bold text indicates consolidated companies.

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

## SUBSIDIARIES AND AFFILIATES

The following table shows Nippon Life's consolidated subsidiaries, both direct and indirect, as well as its equity method affiliates as of March 31, 2009. (14 consolidated companies from a total of 56 subsidiaries and affiliate companies)

Name	Country	Main business	Issued capital (millions)	Percentage of voting rights held by Nippon Life (percent)	Percentage of voting rights held by Nippon Life subsidiary or affiliate companies (percent)
<b>Consolidated Subsidiaries</b>					
Nissay Computer Co., Ltd.	Japan	Information processing services and systems administration and management	¥220	45.00%	55.00%
Nissay Credit Guarantee Co., Ltd.	Japan	Credit guarantee services	¥950	78.71	3.14
Nissay Leasing Co., Ltd.	Japan	Leasing services	¥3,099	51.21	2.45
Nissay Capital Co., Ltd.	Japan	Venture capital services	¥3,000	100.00	—
Nissay Asset Management Corporation	Japan	Investment management business, Investment advisory business and business related to type II financial instruments business	¥10,000	90.00	—
Nissay Information Technology Co., Ltd.	Japan	Software development and information processing services	¥4,000	75.00	3.00
Nippon Life Insurance Company of America	U.S.A.	Insurance business	\$3.6	96.96	—
NLI Properties West., Inc.	U.S.A.	Real estate investment	\$290	100.00	—
NLI Commercial Mortgage Fund, LLC	U.S.A.	Mortgage loans	\$100	100.00	—
NLI Commercial Mortgage Fund II, LLC	U.S.A.	Mortgage loans	\$100	100.00	—
<b>Affiliates</b>					
Nissay Dowa General Insurance Company Limited	Japan	Non-life insurance	¥47,328	36.46	—
The Master Trust Bank of Japan, Ltd.	Japan	Master trust and custody services	¥10,000	33.50	—
Corporate-Pension Business Service Co., Ltd.	Japan	Corporate pension system and administration management	¥6,000	49.00	1.00
Nissay-SVA Life Insurance Co., Ltd.	China	Insurance business	300 RMB	50.00	—

Notes: 1. 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.

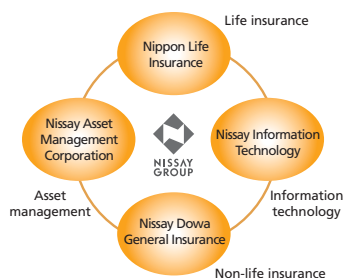
2. The percentage of voting rights held by Nippon Life subsidiary and affiliate companies shows the number of voting rights held by Nippon Life's subsidiary or affiliate companies divided by the total number of voting rights. Major subsidiaries and affiliates are shown.

3. NLI Properties Central, Inc. was dissolved on June 30, 2008, therefore, it is no longer stated as a major subsidiary.

4. NLI Properties East, Inc. was dissolved on March 10, 2009, therefore, it is no longer stated as a major subsidiary.



## Four Core Group Companies



## ■ Group Management Structure

Nippon Life makes every effort to maintain 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 formation, to meet the increasingly 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

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



Nissay Dowa General Insurance Company Limited  
Surveying auto damage

### Nissay Dowa General Insurance Company, Limited

Since its founding in 2001, Nissay Dowa General Insurance has worked hand-in-hand with Nissay to strengthen and promote a comprehensive strategy for life and non-life insurance while realizing stellar growth within the industry. This company endeavors to achieve a more customer-oriented management policy through innovation—from the proposal of an insurance policy to the payment of a claim. At the same time, it is building an ever more solid foundation for collaboration with Nissay, and is striving to raise the potential for growth, profitability and integrity. In the fiscal year ended March 31, 2009, net premiums amounted to ¥310.9 billion.

In addition, in January 2009, Nissay Dowa General Insurance reached an agreement with Aioi Insurance Co., Ltd. and Mitsui Sumitomo Insurance Group Holdings, Inc.\* to commence discussions toward a possible business combination and business alliance. The goal of these discussions, which are ongoing, is to enhance the respective strengths and corporate value of each of these three companies.

\*Mitsui Sumitomo Insurance Group Holdings, Inc. and Mitsui Sumitomo Insurance Co., Ltd.



Nissay Asset Management Corporation  
Managing assets

### Nissay Asset Management Corporation

Nissay Asset Management Corporation works to provide enhanced services to both corporate and individual customers through diverse investment services and products, including a discretionary investment management and advisory business and investment trust products. Nissay Asset Management had approximately ¥4.9 trillion in assets under management as of March 31, 2009. The company meets the needs of its corporate customers with a broad lineup of pension asset management plans and various consulting services. For its individual customers, the company offers the Nissay High-Interest Bond Fund (nickname: Three Point), the Nissay Japan Kachigumi Fund and other unique investment trust products.

Nissay Asset Management is also involved in CSR initiatives and signed the United Nations Principles for Responsible Investment (PRI)\* in July 2006. In addition, Nissay Asset Management actively promotes Socially Responsible Investment (SRI) funds, represented by the Nissay Health Care Support Fund and the Nissay Environmental Support Fund.

\*The United Nations Principles for Responsible Investment (UNPRI) and Socially Responsible Investment (SRI) as proposed by the United Nations, reflect the issues of environment, society and corporate governance in the investment decision-making process.

## Nissay Information Technology Co., Ltd.

As the company in charge of the Nissay Group IT strategy, Nissay Information Technology develops core business systems based on business know-how in insurance and insurance-related areas. In the fiscal year ended March 31, 2009, Nissay Information Technology undertook the large-scale development of an array of Web-based business systems, such as the development of *Mirai Support* and the integration of core systems in the group insurance business. Moreover, in cooperation with Nippon Life, the company is currently involved in the development of a New Integrated System, a comprehensive reconstruction of our present core system to enhance customer service.

In areas outside of Nippon Life, Nissay Information Technology is marketing insurance policy management software to the life insurance industry and medical certificate creation software to hospitals.

Sales in the fiscal year ended March 31, 2009 amounted to ¥68.1 billion.



Nissay Information Technology Co., Ltd.  
Developing systems

### ■ Initiatives to Promote Alliances by Business Field

In addition to the above four core group companies, Nippon Life adheres to the following basic policies in its efforts to forge alliances with other companies.

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