

Nippon Life will constantly strive to become Japan's insurance company of excellence in "scale," "quality" and "credibility."

◆ Promoting the New Integration Strategy → P10

◆ Approaching Growing Markets → P15

◆ Strengthening the Multi-Channel Sales Structure → P16

- Nippon Life will introduce cutting-edge product lineups and systems infrastructure through the New Integration Strategy. In fact, Nippon Life has already made a large ¥150 billion investment in infrastructure under this strategy. The goal is to dramatically enhance convenience and accessibility for customers. Nippon Life will also increase the volume of activity and improve the proposal-based sales skills of sales representatives to enhance services for customers.
- While positioning death coverage as the core insurance product, Nippon Life will take a multi-faceted approach to growing markets, such as living benefit insurance products and the senior citizens market.
- Nippon Life will actively strengthen its multi-channel sales structure to ensure that it provides optimal life insurance products tailored to the various stages of the lives of policyholders and their current needs at any given time.

EXCELLENCE IN
"SERVICES"





A COMPANY OF EXCELLENCE IN "FINANCIAL SOUNDNESS"

A COMPANY OF EXCELLENCE IN "HUMAN RESOURCES DEVELOPMENT"



◆ **Strengthening Equity and Worldwide Strategic investments that use the equity** → P18-20

◆ **Stable Payout of Dividends** → P22

◆ **Stable, Long-term Asset Management** → P24

- Nippon Life will steadily increase equity in order to fulfill its insurance coverage responsibilities to customers. Another priority is to use its equity to make strategic investments worldwide, with the view to boosting its earnings power.
- Nippon Life will continue to pay out a stable level of policyholder dividends as a means of returning profits to policyholders.
- While enforcing thorough risk management, Nippon Life will conduct stable, long-term asset management in the interests of its customers.

◆ **Development of Even Stronger Human Resources in Greater Numbers to Instill a Spirit of Treating Customers Sincerely**

◆ **Fostering an Open Corporate Culture** → P26

- Human resources are the foundation for Nippon Life's development as a company of excellence in "services" and "financial soundness." Nippon Life will focus on cultivating even stronger sales representatives in greater numbers as its core human resources.
- Nippon Life will foster an open corporate culture in which employees constantly take on new challenges, as it develops fertile ground for training human resources.

Promoting the New Integration Strategy

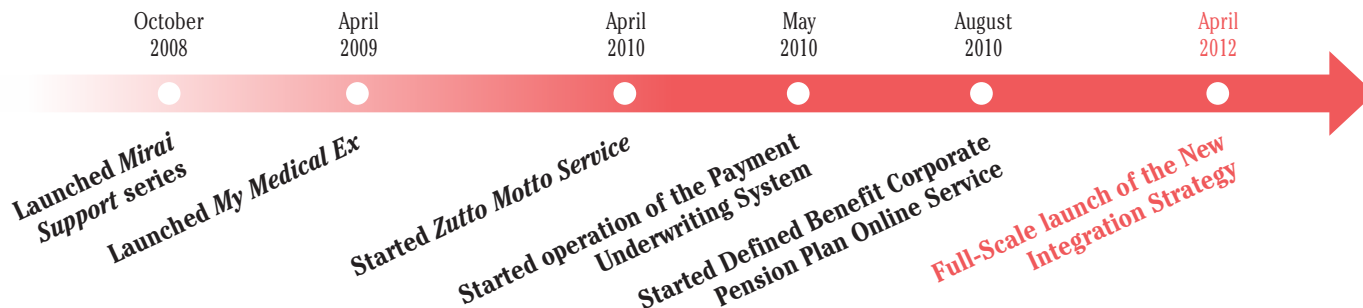
Since 2006, Nippon Life has been gradually phasing in the New Integration Strategy for enhancing customer service. In April 2012, Nippon Life will launch the New Integration Strategy on a full scale. This project aims to dramatically improve customer service and convenience by reviewing all aspects of insurance, from proposal and underwriting of policies to payments of insurance claims and benefits to policyholders, and other activities, with an eye to enhancing customer services.

Flow of the New Integration Strategy

In 2006, Nippon Life started activities designed to pave the way for the full-scale launch of the New Integration Strategy in April 2012. Examples include the launch of the *Mirai Support* series and *My Medical Ex* featuring coverage details that are simple and easy to understand. Another example was the start of operation of the Payment Underwriting System, which has transformed all processes from requesting payment of

insurance claims, benefits and performing other procedures to follow-up briefings after payment. In this manner, Nippon Life has already implemented certain key measures under the New Integration Strategy.

Looking ahead, Nippon Life will continue to take various steps through the New Integration Strategy to enhance customer service.





Overview of the New Integration Strategy

Providing attractive products that are simple and easy to understand → P12

- Provide coverage through combinations of services that enable customers to freely choose the coverage that meets their needs
- Make all products simple and easy to understand

Enhance after-sales services → P13

- Provide timely and appropriate information and services based on an understanding of household data and significant life events of policyholders through the *Zutto Motto Service* (started April 2010)

Enhance customer convenience → P14

- Seal-less and paperless procedures using customer ID and password
- Internet procedures accessible anywhere, anytime via Nippon Life's upgraded corporate website

Introduction of New Wireless Device for Sales Representatives → P14

- The introduction of a new wireless device for sales representatives realizes a new service framework that enables swift handling of customer requests.

Providing Products That Are Easy for Customers to Understand

Nippon Life has worked to simplify products and make them easy to understand to ensure that insurance claims and benefits are properly paid to policyholders.

Through its Policy Details Confirmation Activities, Nippon Life has received extensive customer feedback on its products such as: "policies are difficult to understand because there are so many riders," "I wish Nippon Life would make coverage details easier to understand," and "I am unsure about which surgeries are covered by my policy." Acting on this customer feedback, Nippon Life launched a *Comprehensive Medical Rider* in October 2008 in an attempt to provide a rider that is easier for customers to understand. Nippon Life also relaunched comprehensive coverage products featuring this rider as the *Mirai Support* series.

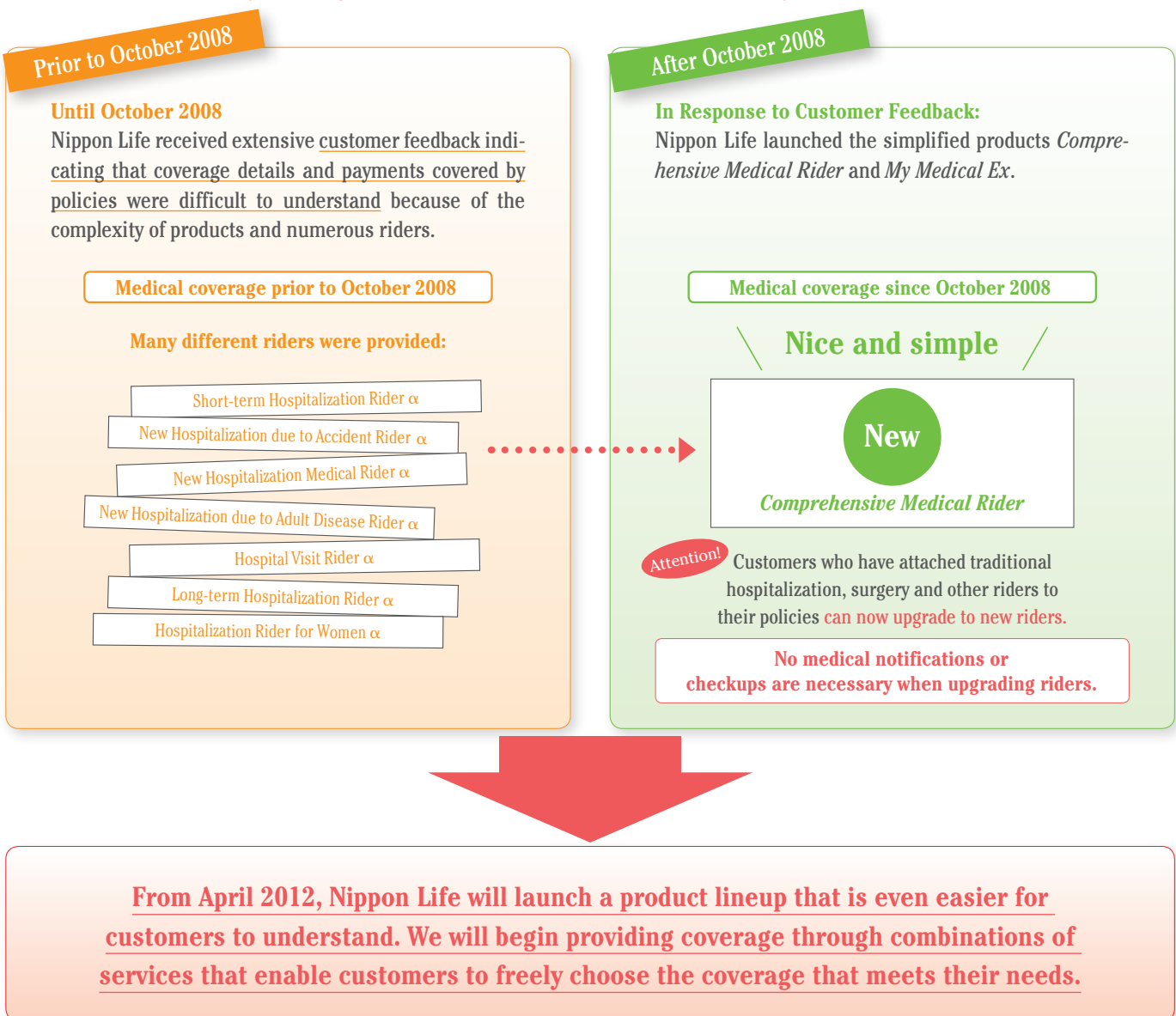
The *Comprehensive Medical Rider* is designed to provide simple, easy to understand, enhanced coverage and to ensure more accurate and prompt payments to policyholders.

In April 2009, Nippon Life launched *My Medical Ex*, a comprehensive medical insurance product that provides the coverage of the *Comprehensive Medical Rider* on a stand-alone basis. The aim is to make this rider's appealing coverage available to many more customers. The launch of *My Medical Ex* has also enabled us to more flexibly respond to the medical coverage needs of our customers. With enrollment in the *Comprehensive Medical Rider* and *My Medical Ex* already surpassing the 4 million mark,* these products have proven extremely popular.

Following the launch of these products, from April 2012, Nippon Life will start offering more products on a stand-alone basis that are easy to understand. Stand-alone products will enable customers to more flexibly combine various services. Through these and other measures, Nippon Life will continue to develop products that are easy for customers to understand.

*Refers to the sum of the number of new *My Medical Ex* policies, new policies that attach the *Comprehensive Medical Rider*, and the number of upgrades to the *Comprehensive Medical Rider* (for October 2008 to March 2011).

Nippon Life will simplify coverage details to provide products that are easy for customers to understand.



Zutto Motto Service (April 2010)

Nippon Life started the *Zutto Motto Service* in April 2010 as one response to customer feedback received through the Policy Details Confirmation Activities.

The *Zutto Motto Service* is a unique Nippon Life service offered to policyholders. The new service reflects two commitments to policyholders. One is our will to work even harder and longer (“*zutto motto*”) for the peace of mind and happiness of policyholders and their families. The other

is to work even harder and longer at providing each policyholder with better after-sales services.

Through this service, policyholders and their families provide us with up to date information about their status. In return, we supply timely information that reflects changes in the lives of policyholders. Staying in touch also makes it possible to perform insurance claim and benefit procedures and many other tasks more efficiently.

The *Zutto Motto Service* offers the following four-item menu to express our appreciation to customers for their cooperation in supplying their information.

THE ZUTTO MOTTO SERVICE

POLICYHOLDERS



Information about status of policyholders and their families

Four-item menu to express our appreciation

NIPPON LIFE



Thanks Miles Menu

Accumulate Thanks Miles

Customers can accumulate these miles in many ways by supplying information about themselves and family members that helps Nippon Life supply useful after-sales services.

Use Thanks Miles

Customers can exchange Thanks Miles for gifts at any time.

Happy Present Menu

Notify Nippon Life of a Significant Event

Tell Nippon Life about a significant event involving the policyholder or a family member (spouse, child or grandchild)

Gifts from Nippon Life

Nippon Life will deliver one gift of choice for every significant event reported. (50 Thanks Miles will also be awarded.)

Premium Chance Menu

Customers can submit 10 Thanks Miles to participate in a drawing for a variety of gifts.

Heartful Support Menu

Customers have access to a number of valuable benefits that include free consultations concerning staying healthy or receiving nursing care.

Please visit the Nippon Life website for more information about the *Zutto Motto Service*. The website can also be used to check Thanks Miles balances, exchange Thanks Miles for gifts, apply for a Happy Premium drawing and perform other procedures.

→ <http://www.nissay.co.jp> (Japanese only)

**Zutto Motto Service* information is as of June 2011.

Best Doctors® Service (April 2010)

Nippon Life started offering the Best Doctors Service (specialist physician referral service) to customers with policies that attach the *Comprehensive Medical Rider*, such as *Mirai Support*, and to *My Medical Ex* policyholders.



In March 2011, Nippon Life invested in Best Doctors, Inc., the provider of this service. Working closely with Best Doctors, Nippon Life aims to make the service even more attractive to its policyholders going forward.

*For more information on the service, please see page 74.

Seal-less and Paperless Procedures Using a Customer ID and Password

From April 2012, Nippon Life will allow customers to perform certain insurance procedures using only their customer ID and passwords from PCs, mobile phones and wireless devices carried by Nippon Life sales representatives. We aim to make insurance processing simple and fast for

customers by minimizing procedures that require them to prepare various procedural forms, and provide life insurance policies, registered seals and other items.

Before

Until April 2012
 Customers had to spend time and effort preparing procedural forms and providing life insurance policies, registered seals and other items to perform procedures.

Items Required Through April 2012 to Perform Procedures

Nippon Life procedural forms + Life insurance policy + Registered seal

Items provided by customers when performing procedures

After

From April 2012
 Customers will be able to perform insurance procedures by entering their customer ID and password into PCs, mobile phones and wireless devices carried by Nippon Life sales representatives.

Items Required from April 2012 to Perform Procedures

PC or mobile phone or Wireless devices carried by Nippon Life sales representatives + Customer ID and Password

Accessible anytime, anywhere

Introduction of New Wireless Device for Sales Representatives

Nippon Life sales representatives will start using a new wireless device in April 2012 that will help to enhance customer service. The new wireless devices will be distributed in stages to Nippon Life's roughly 50,000 sales representatives across Japan.

The introduction of the new wireless device will enable sales representatives to develop insurance proposals, process applications and complete various procedures on the spot with customers.

Main Functions of New Wireless Device

- Present insurance plans to customers
- Perform application procedures for new policies
- Process changes in policyholder address and other contact information and perform other procedures, etc.

[Simplification of Procedures]

Before

If there were any problems with documents, sales representatives would need to ask customers for more time for another visit.

"There is a problem."

After

Checks will be performed on the spot for any data entry errors or omissions.

* Individually tailored information and services will be provided to customers using data collected from customers.

Approaching Growing Markets

Nippon Life will strengthen its approach to growing markets by addressing a broad range of customer needs in depth. To do this, we will increase the variety of coverage options through new insurance product lines.

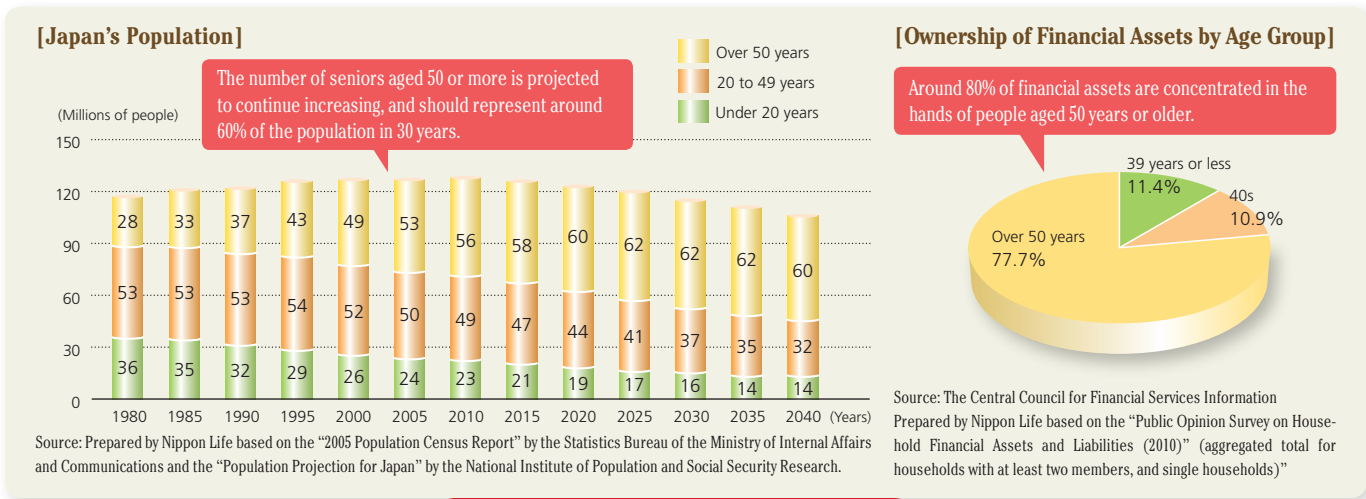
Expanding Business Opportunities by Providing Optimal Coverage and Excellent Services

Expanding Markets: Providing Insurance Services to Seniors and Retirement Age Customers

As Japan's first generation of baby boomers enters retirement, the population of seniors is expected to increase.

Nippon Life will propose ways for seniors, who hold a relatively large

amount of financial assets, to utilize their retirement savings in support of a satisfying post-retirement life.



Nippon Life will hold seminars to provide information.

Nippon Life holds retirement seminars for senior citizens entering retirement. These events provide information about the personal finances needed by seniors to lead a fulfilling post-retirement life.

To customers reaching retirement age, Nippon Life explains a host of topics such as post-retirement financial planning, risks associated with medical and nursing care, among other factors, and the social security system. Through these seminars, Nippon Life aims to relieve any anxiety about retirement among seniors.

Nippon Life will address the various financial needs of senior citizens.

Nippon Life will help customers lead happy post-retirement lives by enabling senior citizens to devise a plan for managing their money with confidence.

Three Ways to Manage Money in Retirement

By categorizing money according to its purpose of use, senior citizens can develop a clear-cut plan for managing their money exactly as they see fit.

Money for Posterity	Money to Save	Money to Spend
To express consideration for surviving family members in concrete ways. ⇨ Inheritance needs	To prepare for unexpected events such as injury or illness. ⇨ Medical and nursing care needs	To lead an enriched and fulfilling post-retirement life ⇨ Savings and annuity-related needs

<Diversifying Coverage Needs> Propose Optimal Coverage for Young and Single Customers, and to Meet Women's Needs

There has been growing demand for "living benefit coverage" in fields such as medical and nursing care, in addition to traditional death protection and savings products. This demand has been fueled by rising concern over the soundness of Japan's social security system, and lifestyle changes

with people choosing to marry later in life or not at all with the increasing social advancement of women. Another factor is diversifying employee benefit programs. To address these developments, Nippon Life will provide a range of finely tuned coverage options.

	Young and single customers	Women customers
Situation	Strong interest in coverage and asset formation for individual needs.	One in every 2.5 women is diagnosed with cancer of some kind.
Needs	<ul style="list-style-type: none"> Prepare for possible major injury or illness Savings for the future 	<ul style="list-style-type: none"> Prepare for possible illnesses specific to women Prepare for possible major injury or illness Savings for the future

Customers who need coverage most

Prepare for unexpected events (Coverage for families)

- Prepare for unexpected events
- Prepare for possible illness
- Savings for the future

Strengthening the Multi-channel Sales Structure

Nippon Life focuses on face-to-face customer service through sales representatives centered on Policy Details Confirmation Activities. Nippon Life has a comprehensive range of sales channels to ensure that it offers customer service tailored to the various stages of policyholders' lives and their current needs at any given time. Nippon Life's sales channels include sales representatives, Nissay Life Plazas, which are shops that customers can visit, the Internet, sales agencies, and financial institutions.

■ Sales Representatives (See P86)

Face-to-Face Customer Service Centered on Policy Details Confirmation Activities

As well as offering services at the time of enrollment, Nippon Life believes that it is crucial to provide after-sales services so that customers feel comfortable maintaining their life insurance policies after enrolling. For this reason, Nippon Life sales representatives provide face-to-face consulting services.

Initiated from August 2007, Policy Details Confirmation Activities are basic activities that demonstrate the strength of the sales representative channel. Our nationwide sales representatives visit each and every policyholder to confirm the content of customer policies and catch up on the recent status of policyholders. At the same time, our sales representatives continue to offer optimal consulting services matched to significant events in the lives of policyholders and their families, by introducing the *Zutto Motto* service launched in April 2010.

Overview of Policy Details Confirmation Activities

Our nationwide network of 50,000 sales representatives visit policyholders at least once a year to:

- Explain content of customer policies now in force
- Confirm recent hospitalizations, hospital visits, surgical histories and other items
- Offer consulting services matched to significant events in the lives of policyholders and their families
- Introduce new products and offer various free services, etc.



Strengthen Consulting Capabilities of Sales Representatives

To further improve our customer service, we need to raise the consulting capabilities of our sales representatives who play a central role in this service.

Specifically, we plan to upgrade the consulting skills of sales representatives by further expanding training programs. One aim is to improve basic knowledge required for consulting, such as by acquiring certification as Financial Planners (a national qualification of the Ministry of

Health, Labour and Welfare) and Affiliated Financial Planners (a qualification of the Japan Association of Financial Planners). We will also further strengthen sales representatives' business etiquette skills.



Consulting session

Diversifying the Sales Representative Channel

Nippon Life has been working to diversify the sales representative channel in response to the recent diversification of customer needs and lifestyle changes. For example, since the fiscal year ended March 2009, Nippon Life has appointed corporate worksite financial coordinators on a fixed-salary basis to comprehensively develop the corporate and worksite markets in major cities.

In the corporate and worksite market, corporate worksite financial coordinators provide a full range of consulting services making the most of their advanced expertise, primarily at large corporations. The number of such financial coordinators has been increasing year after year. Nippon

Life currently has a total of around 2,160 corporate worksite financial coordinators (as of April 2011) in the Tokyo Metropolitan Area and 13 other major cities (Sapporo, Sendai, Niigata, Shizuoka, Nagoya, Kyoto, Osaka, Kobe, Okayama, Hiroshima, Kitakyushu, Fukuoka, and Kumamoto).

Nippon Life's corporate worksite financial coordinators bear responsibility for and take pride in being the insurance manager for entire worksites. As such, they will continue working to achieve higher customer satisfaction going forward.

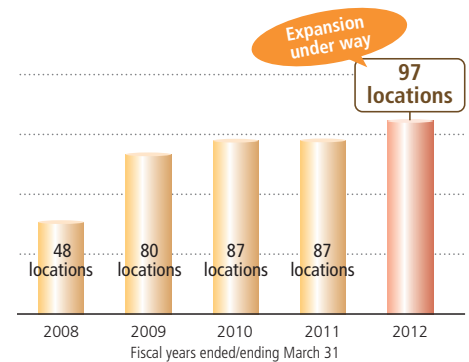
Nissay Life Plaza (See P87)

There are Nissay Life Plazas in 97 locations throughout Japan, visited by around 500,000 customers every year (as of July 2011). These customer service counters meet a wide range of sophisticated customer needs, including consultations and handling of various insurance-related procedures.

In addition, Nissay Life Plazas hold free seminars on various topics and provide tax accounting advice (in select locations). In these ways, Nissay Life Plazas offer a broad range of services designed to familiarize customers with insurance.

Looking ahead, Nissay Life Plazas will continue working to earn the trust of customers as a key interface between Nippon Life and customers.

[Number of Nissay Life Plazas]



Internet (See P88)

At the Nippon Life website, customers can log on to policyholder services to perform various procedures or access services any time, anywhere.

Nippon Life also takes full advantage of easy access to its corporate website to offer useful content and provide e-mail newsletters to new customers, such as young people.



The Nippon Life website

Life Insurance Agencies (See P89)

Nippon Life began full-scale life insurance sales through the life insurance agencies channel in 1999 in response to diversifying customer needs and shifting market conditions. Nippon Life's network of life insurance agencies is centered on tax accountants; professional life and non-life insurance sales agencies; and major financial institutions and their related agencies throughout Japan. The network has steadily increased, reaching 10,467 agencies as of the end of March 2011.

Nippon Life has also seen steady growth in the number of policies in force, the policy amount in force and the number of customers through the life insurance agencies channel. Life insurance agency sales have consistently increased as a percentage of Nippon Life's overall sales.

Looking ahead, Nippon Life will continue to provide a broad range of services to customers who seek consulting and insurance enrollment services through sales agencies.

[Number of Agencies]



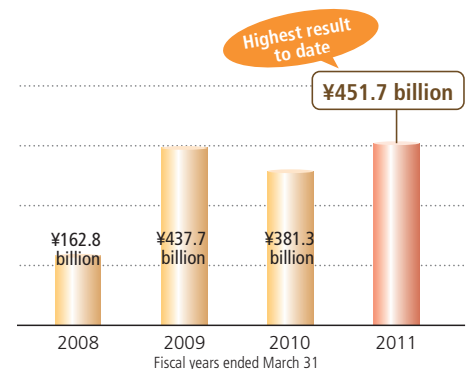
Financial Institutions (See P89)

Nippon Life sells individual annuities and single-payment whole life insurance through the service counters of financial institutions under agency agreements forged with 311 banks, securities companies, credit unions and other financial institutions throughout Japan (as of April 2011).

Nippon Life has upgraded and enhanced products sold through this channel. In December 2010, for example, the *Yume No Katachi* (Nissay variable single-payment increasing-premium whole life insurance) product was rolled out. As a result, Nippon Life has recorded steady growth in premium revenues.

Nippon Life's policy is to remain a source of security and safety to its customers over the long term. Guided by this policy, Nippon Life aims to achieve sustainable growth in the financial institution channel going forward.

[Premium Revenues]



Strengthening Equity

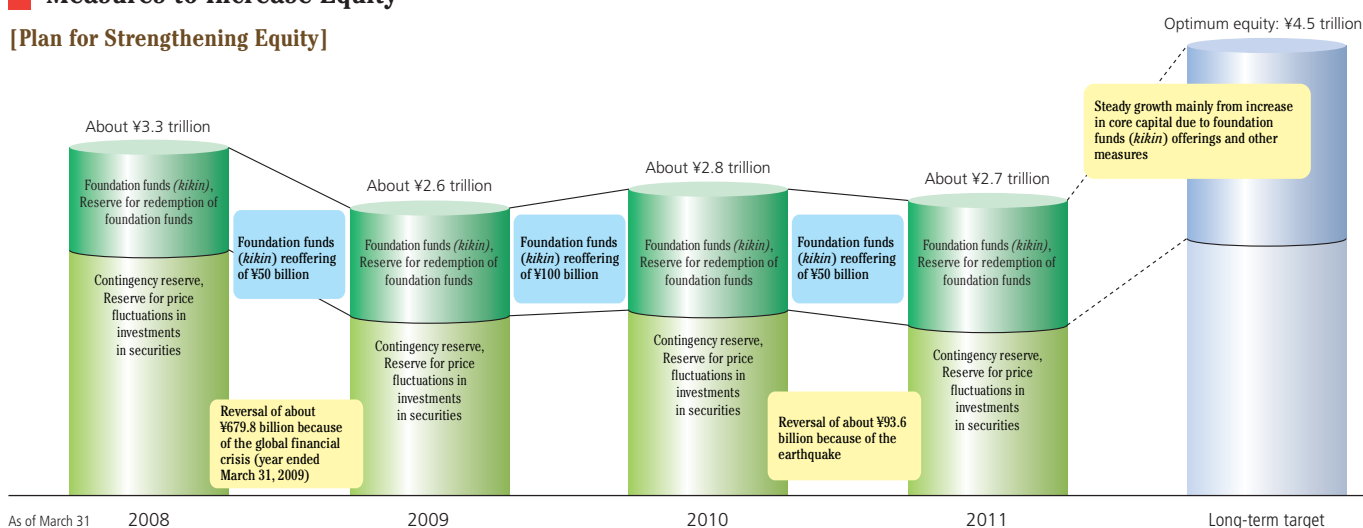
Our Commitment to Increasing Equity

Nippon Life believes that fulfilling the responsibility to provide long-term protection for customers is its primary mission as a life insurance company. Due to the long-term nature of life insurance policies, we must take into account the possibility of a crisis that is worse than we can predict, such as a major natural disaster or historic drop in stock prices are two examples of such risks. Equity provides the financial foundation for making

insurance claims and benefit payments as stipulated in policies even after a crisis of unexpected magnitude. In addition, investment income from equity is one source of funds for dividend payments. This is why we believe that strengthening equity is essential to establishing Nippon Life as a company of excellence in "financial soundness."

Measures to Increase Equity

[Plan for Strengthening Equity]



Equity is the sum of foundation funds and the reserve for redemption of foundation funds, which are included in net assets on the balance sheet, and the contingency reserve and reserve for price fluctuations in investments in securities, which are included in liabilities on the balance sheet. Equity is also called foundation funds (*kikin*) and reserves (see p. 33). We have strengthened equity by taking steps such as using annual earnings to increase reserves and conducting issuance of foundation funds, which is the core capital of a mutual company. We believe that these continuous

steps have enabled us to strongly rise above emergencies such as the global financial crisis in fiscal 2008 and the Great East Japan Earthquake in fiscal 2010.

We will continue to take actions to increase foundation funds (*kikin*) and reserves. Our long-term target is ¥4,500 billion, which was our optimum equity (see p. 23) as of March 31, 2011. This represents our required level of equity based on a stringent evaluation of risk.

Foundation Funds (*Kikin*)

The Insurance Business Act allows mutual companies to procure funds by selling foundation funds (*kikin*). These funds are similar to loans because an interest payment, maturity date and other items must be established when an offering is conducted. If there is a bankruptcy or similar event, repayment of the principal and interest for foundation funds (*kikin*) is subordinate to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. In addition,

upon the redemption of foundation funds (*kikin*), mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, that is equal to the amount redeemed. As a result, the full amount of foundation funds (*kikin*) remains in equity even after redemption. Foundation funds (*kikin*) are therefore positioned as a mutual company's core capital, which is equivalent to the capital of a joint-stock company.

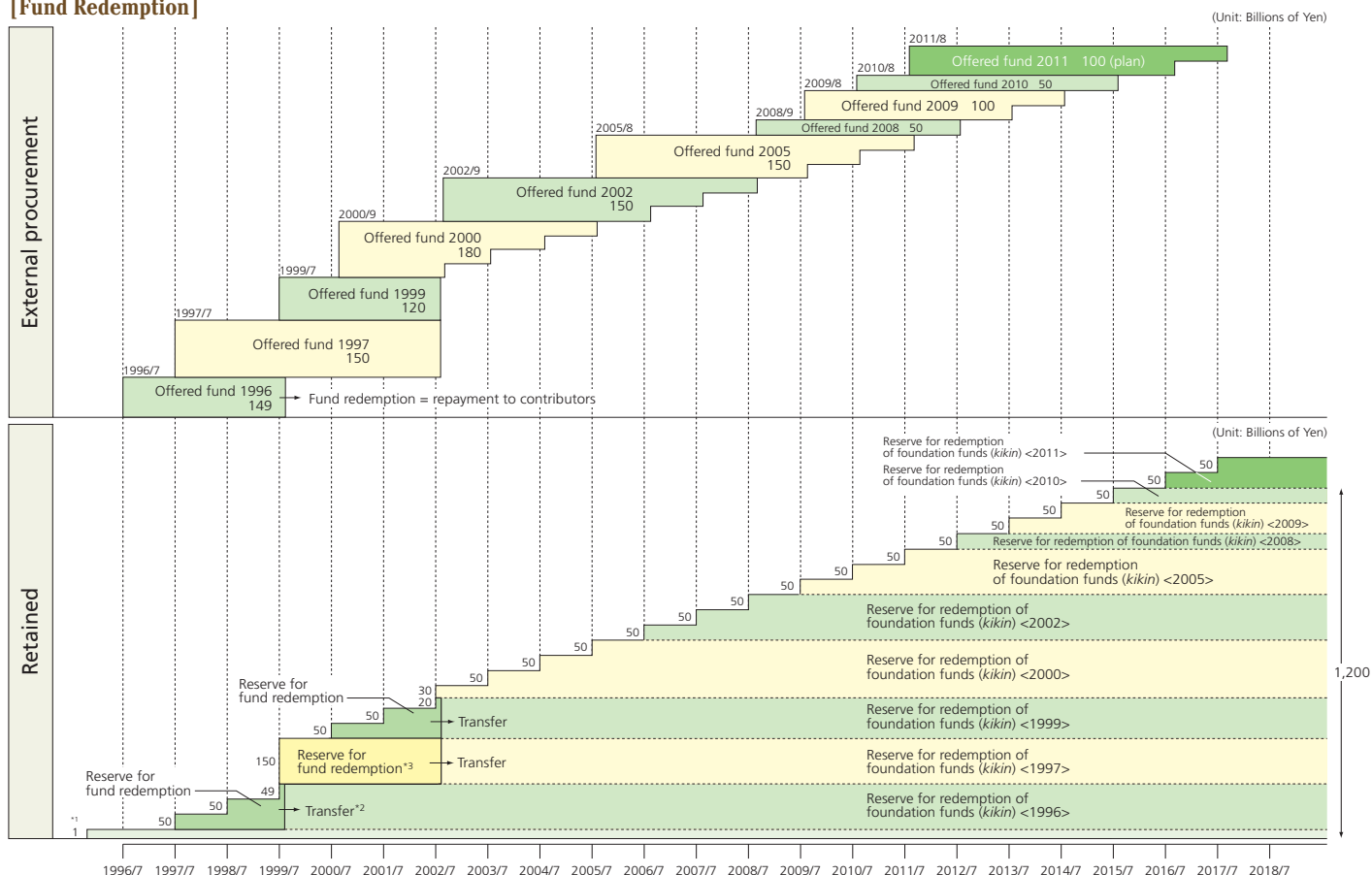
Foundation Funds (*Kikin*) Status

We solicit foundation funds (*kikin*) in order to enhance our ability to respond to risk. As a result of reoffering funds nine times since revisions were made to the Insurance Business Act in 1996, our total foundation funds (*kikin*), including funds and the reserve for redemption of foundation funds, reached ¥1,100 billion as of the end of the fiscal year ended March 31, 2011.

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, 2012, Nippon Life plans to solicit an additional ¥100 billion in foundation funds, for a total of ¥1,200 billion in foundation funds.

[Fund Redemption]



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

*2 Article 56 of the Insurance Business Act: 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.

Fund Contributors (as of March 31, 2011)

Amount of Fund Contributions	¥250 Billion	Number of Fund Contributors	4	
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 2009 Fund Special Purpose Company	¥100	40.00%	—	—%
Nippon Life 2005 Fund Special Purpose Company	50	20.00	—	—
Nippon Life 2008 Fund Special Purpose Company	50	20.00	—	—
Nippon Life 2010 Fund Special Purpose Company	50	20.00	—	—

Notes: 1. Nippon Life 2009 Fund Special Purpose Company, Nippon Life 2005 Fund Special Purpose Company, Nippon Life 2008 Fund Special Purpose Company and Nippon Life 2010 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 2009 Fund Special Purpose Company, Nippon Life 2005 Fund Special Purpose Company, the Nippon Life 2008 Fund Special Purpose Company or the Nippon Life 2010 Fund Special Purpose Company.

2. Fund contributors are the four above-mentioned entities.

Using Equity to Fund Strategic Investments in Japan and Overseas

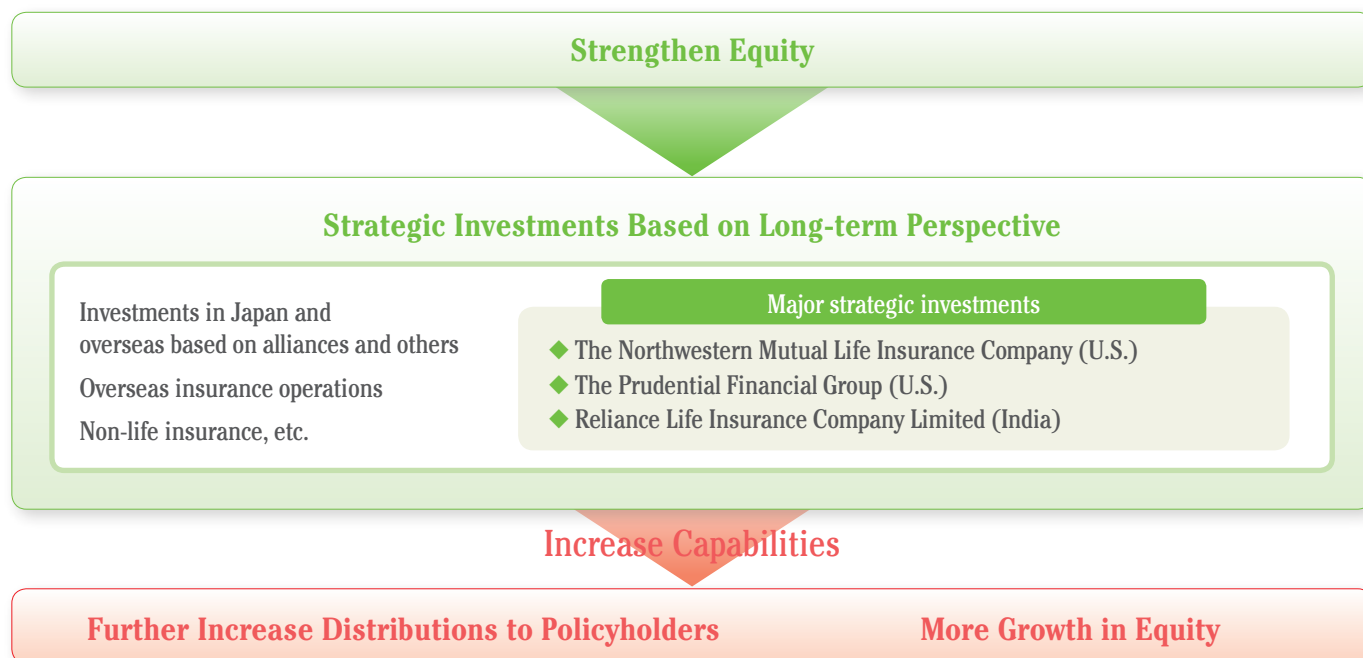
Strategic investments that contribute to long-term growth in earnings are one way in which Nippon Life effectively uses equity.

Specifically we make investments in Japan and overseas based on alliances and other relationships that can make our core life insurance operations even stronger. Overseas insurance operations and non-life insurance are also areas where we make strategic investments. By making these investments, we are aiming to increase our opportunities for earning profits.

Recent activities include investments in two U.S. life insurers: The

Northwestern Mutual Life Insurance Company and The Prudential Financial Group (Prudential Financial Inc., and The Prudential Insurance Company of America). We also invested in Reliance Life Insurance Company Limited, which is located in India.

Increasing profitability from these strategic investments will allow us to further increase our distributions to policyholders and create a virtuous cycle in which the returns on these investments lead to more growth in equity.



Major Strategic Investments

Northwestern Mutual Life Insurance (United States)

In March 2010, Nippon Life purchased about ¥23 billion of surplus notes issued by The Northwestern Mutual Life Insurance Company of the U.S. In accordance with a business alliance announced in July 2008, the two companies have been exchanging personnel in the asset management and insurance businesses, seeking investment opportunities in the U.S. and Japan, and cooperating in other ways.

Purchasing surplus notes further solidifies ties between the two companies and builds a long-term cooperative relationship. Nippon Life will continue to strengthen ties in the field of asset management and in other aspects of its business operations.

*Established in 1857, Northwestern Mutual Life Insurance is one of the largest U.S. life insurers with 3.3 million policyowners and clients. The company placed first in both the life insurance and health insurance categories in the March 2011 *Fortune* magazine listing of the world's most admired companies.

*Surplus notes are financial instruments issued by U.S. life insurance companies. These notes pay interest periodically and are redeemed at maturity just like a corporate bond. Surplus notes are classified as an insurance company's capital under Statutory Accounting Principles.

Prudential Financial Group (United States)

In September 2009, Nippon Life purchased 10-year exchangeable surplus notes issued by The Prudential Insurance Company of America, a U.S. insurance subsidiary of Prudential Financial, Inc., (hereinafter “Prudential”) one of the largest financial service companies in the United States. The investment totaled approximately ¥46 billion.

Nippon Life has had a close relationship with Prudential for many years because the two companies share similar values and benefits in the life insurance business. In addition to investing in surplus notes, Nippon Life purchased about 2.56 million shares of Prudential common stock in June 2009. The purpose of these investments is to deepen ties between Prudential and Nippon Life in order to build a mutually beneficial long-term partnership.

The two companies are expanding their collaboration in many fields. In one development, Nippon Life started selling foreign currency-denominated insurance products of The Gibraltar Life Insurance Co., Ltd., a Japanese company that belongs to the Prudential Financial Group, in October 2010.

*Prudential is one of the largest financial service companies in the United States and has a history that dates back to 1875. The company is engaged in life insurance, mutual fund, annuity, asset management and other businesses in more than 30 countries.

*Nippon Life has the option to exercise its exchange right to receive common stock issued by Prudential at any time after the fifth anniversary of issuance of the notes.

Sales of Foreign Currency-denominated Insurance Products of Gibraltar Life (from October 2010)

In October 2010, Nippon Life started selling two insurance products of Gibraltar Life Insurance: an individual annuity policy (no dividend payments) in which the customer can designate the currency and a U.S. dollar-denominated whole life insurance policy (no dividend payments). To make these products accessible to more customers, Nippon Life increased the number of locations selling these policies and expanded sales channels in April 2011.

Demand for foreign currency-denominated insurance products is particularly high in urban areas of Japan. Adding policies from Gibraltar Life Insurance, which has much experience in this field, to the Nippon Life lineup makes it possible to offer customers even better services.

This is the first time that Nippon Life has sold products of another life insurance company.



*This section presents a summary of the products of Gibraltar Life Insurance and is not intended to contain all information about these products. Always read sales pamphlets and other materials before reaching a purchase decision.

Reliance Life Insurance (India)

In India's rapidly growing life insurance market, Nippon Life entered into an agreement in March 2011 to purchase a 26% equity interest in Reliance Life Insurance Company at a cost of about ¥58 billion.* The company is a member of the Reliance ADA Group, one of India's most prominent business houses.

The Indian life insurance sector is perceived as an attractive market that is expected to achieve robust growth in the long-term due to the country having the second largest population in the world, an attractive demographic composition with a large portion of youth, and solid economic growth led by the service sector and domestic consumption.

We aim to achieve further stable and sustainable growth by bringing in

our experience and expertise through secondment of directors and full time staff to Reliance Life, which already has a solid footing for operations including a nationwide distribution network, highly talented executives, and strong brand recognition throughout India. From a long-term perspective, Nippon Life believes that this relationship will also increase earnings for policyholders by receiving dividend payments and other benefits from this investment in Reliance Life.

*Exchange rate: 1 rupee = ¥1.9

*Reliance Life was established in 2001 and joined the Reliance ADR Group in 2005, after which the company grew steadily and became one of India's major life insurers.

Stable Payout of Dividends

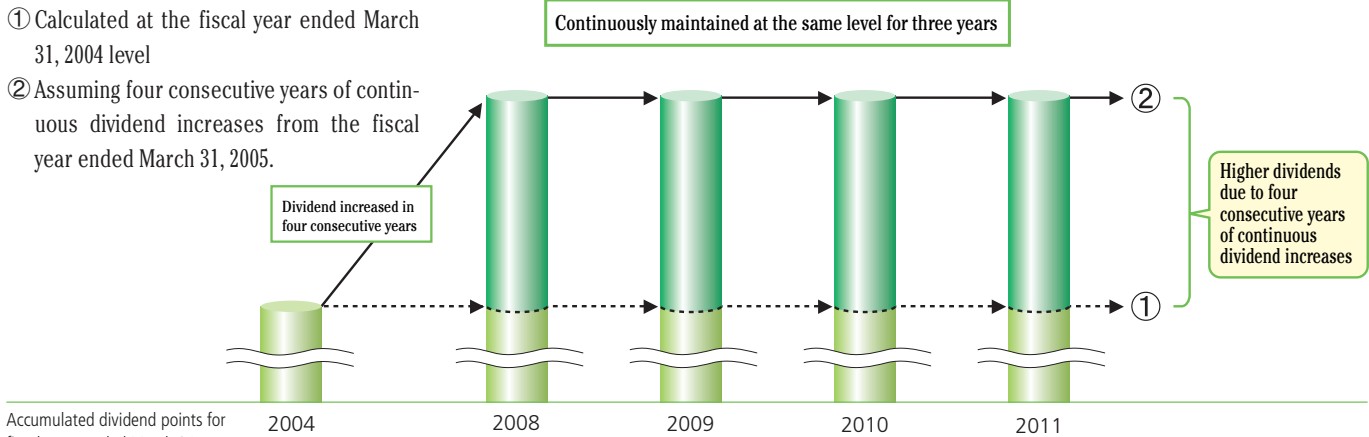
Making Continuous Efforts to Provide Stable Dividends to Policyholders

Nippon Life, as a mutual company, has set the steady enhancement of stable dividend payouts in the medium to long term as one of its business goals. We raised dividends for individual insurance and individual annuities in four consecutive years, from the fiscal year ended March 31, 2005.

In the fiscal year ended March 31, 2011, Nippon Life maintained the same level of dividend payouts for individual insurance and individual

annuities as in the previous fiscal year, based on a policy of continuing to pay out dividends on a stable basis. Our equity, which we have continuously increased over the years, provided an effective buffer against the Great East Japan Earthquake, and also contributed to improved investment returns.

[Schematic of Dividends]



*This chart is a schematic representation of dividends and is not intended to show the actual dividends for individual policies.

Policyholder Dividends in Mutual Companies

Life insurance premiums are generally calculated based upon expected rates, including rates of interest and mortality. 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 in participating insurance, the increase is deemed to be cash to be distributed to policyholders based on policy terms as policyholder dividends.

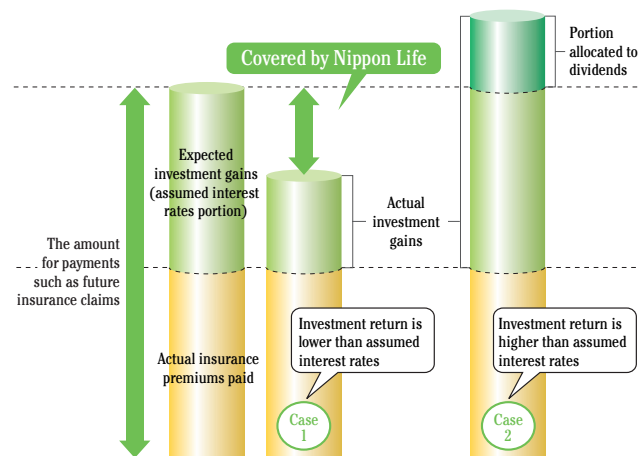
In fact, policyholder dividends could be classified, by nature, as the post-settlement of insurance premiums that were originally calculated based upon assumed rates.

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 mutual company format in which all policyholders (excluding non-participating insurance policyholders) are counted as members of the Company. In addition to the accumulation of foundation funds (*kikin*) and reserves, the majority of the surplus is returned to participating insurance policyholders as policyholder dividends.

Dividend Framework

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 Policy Details Reminder on page 80, which is sent out each year to every customer.

Aiming to Maximize Policyholder Interests

Life insurance policies are long-term contracts extending from the initial enrollment to the receipt of claims and benefits or other events. Nippon Life is dedicated to fulfilling its responsibility to provide coverage to policyholders in the future by paying claims and benefits. We take steps to increase policyholder dividends, including continuous efforts to strengthen foundation funds (*kikin*) and reserves (collectively, equity), which is the foundation for future dividends.

Increasing dividends and strengthening equity are medium- and long-term goals of Nippon Life. We conduct business operations while maintaining the proper balance between these two items. With respect to these

goals, we announce our equity replacement ratio and dividend payout ratio. These two figures show policyholders the progress we have made toward achieving our goals of increasing dividends and strengthening equity. In addition, these figures allow policyholders to confirm that we are not placing too much emphasis on dividends or equity.

Nippon Life pays dividends to policyholders in each year while increasing foundation funds (*kikin*) and reserves, which is the foundation for future dividends. By using this approach, we are determined to maximize total policyholder interests today and in the future.

As of March 31, 2011

Equity Replacement Ratio = 61%

$$\frac{\text{Foundation Funds (Kikin) and Reserves}}{\text{Optimum Equity}} = \frac{\text{¥2,767.3 billion}}{\text{¥4,500.0 billion}}$$

The equity replacement ratio is the ratio of foundation funds (*kikin*) and reserves to optimum equity. Using the broad interpretation of equity, Nippon Life is increasing its foundation funds (*kikin*) and reserves, which totaled ¥2,767.3 billion on March 31, 2011. This equity gives Nippon Life the sound base of operations needed to pay claims and benefits as stipulated in policies even under unusually difficult operating conditions.

Examples of risks include a sharp drop in stock prices, very low interest rates for many years and a major natural disaster.

For optimum equity, our medium- and long-term goal as of March 31, 2011 is ¥4,500.0 billion based on a rigorous evaluation of business risks. Reaching this goal will give Nippon Life one of the highest equity ratios among the world's life insurance companies. The equity replacement ratio, which was 61% on March 31, 2011, shows our progress toward achieving the optimum equity goal. We plan to continue to increase the equity replacement ratio while maintaining the proper balance with measures to increase dividends to policyholders.

Optimum Equity: 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.

Fiscal year ended March 31, 2011

Dividend Payout Ratio = 100%

$$\frac{\text{Reserve for Policyholder Dividends}}{\text{Available Financial Resources}} = \frac{\text{¥175.5 billion}}{\text{¥175.5 billion}}$$

The dividend payout ratio is the ratio of the reserve for policyholder dividends to available financial resources, which is the sum of the reserve for policyholder dividends and the addition to foundation funds

(*kikin*) and reserves. In each fiscal year, we maintain the proper balance between the reserve for policyholder dividends and to foundation funds (*kikin*) and reserves.

To achieve this balance, we take steps to make suitable dividend payments to policyholders each year while increasing foundation funds (*kikin*) and reserves, which is the foundation for future dividends. We use this approach to maximize total policyholder interests over the present and future. Our medium- and long-term goal is to maintain a high level of dividend payments, although there are short-term fluctuations in the dividend payout ratio. In the fiscal year ended March 31, 2011, the dividend payout ratio was 100% because we did not increase foundation funds (*kikin*) and reserves.

Long-term, Stable Asset Management

To be certain that we can pay future insurance claims and benefits, Nippon Life invests premiums entrusted to it from policyholders with sufficient consideration for safety, profitability, and the public nature of its business, among other factors. By spreading risk and allocating assets properly, Nippon Life aims to secure long-term stable investment returns.

Features of Asset Management

Nippon Life's mission is to fulfill its long-term commitment to policyholders under life insurance agreements, and to maximize returns to policyholders in a stable manner over the long term. Asset management is carried out to achieve this mission.

Specifically, to ensure that we provide policyholders with promised returns in a stable manner, we strive to increase equity while implementing stringent risk management. When investing, we give sufficient consideration

Nippon Life's Basic Approach to General Account Asset Management

1. Fulfilling our financial coverage obligations to policyholders is our first priority for asset management
2. Achieving long-term stable growth of investment returns through a coherent asset management strategy
3. Conducting asset management in a way that is acceptable to policyholders, maintaining an awareness of the mission and public nature of the life insurance business

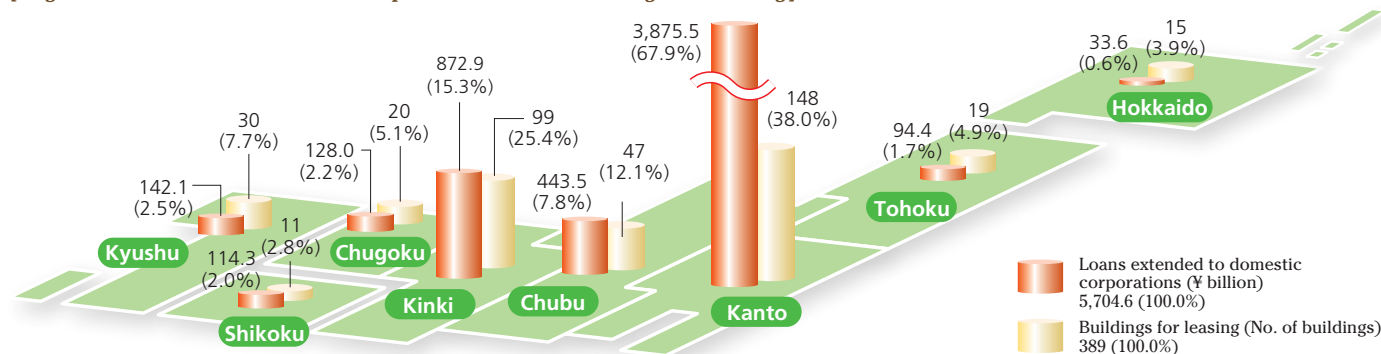
Market Presence

The life insurance business has a highly social and public nature. By utilizing the long-term nature of its funds as a life insurer, Nippon Life has long conducted asset management from the standpoint of coexisting with communities and society, and achieving stable growth hand in hand with Japan's companies and economy at large.

For example, in equities investment, Nippon Life is counted among the top ten shareholders of around 20% of all publicly listed Japanese companies. In addition, together with Group company Nissay Capital Co., Ltd., Nippon Life is a large investor in many unlisted companies around the country that are aiming for future initial public offerings.

Additionally, in loan transactions, we strive to support the development of industry by extending loans to customers across Japan, not just large corporations. In the field of personal loans, we provide the financing needed for sound and enriched life planning through housing loans and

[Regional Breakdown of Domestic Corporate Loans and Buildings for Leasing]

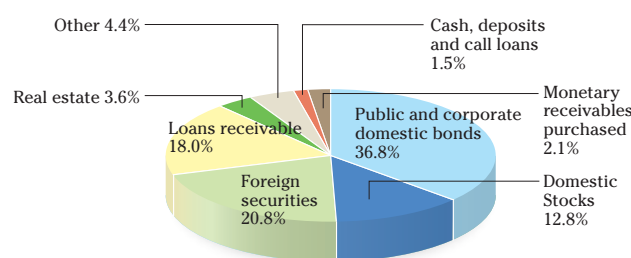


to diversifying investments across assets, countries, currencies and other investment targets, while maintaining a well-balanced investment portfolio that is not overly concentrated on any specific asset or country.

To enhance medium- to long-term profitability, we intend to replace investments in the portfolio mainly by buying at undervalued prices and selling at higher valuations based on stringent risk management. Through this approach, we seek to increase and stabilize profitability.

[Breakdown of General Account Portfolio]

(¥48,514.7 billion as of March 31, 2011)



other means. We are also active in real estate investment. Through a broad range of investments in office buildings nationwide, we are contributing to regional development.

[Market Presence]

Domestic stocks	● Number of publicly listed Japanese companies in which Nippon Life is a top ten shareholder: 688 (20% of all publicly listed Japanese companies)
Loans receivable	● Balance: ¥8,743.3 billion
Real estate	● Balance of real estate for leasing: ¥1,105.7 billion ● Number of buildings held for leasing: 389

*Domestic stocks are as of September 30, 2010

*Loans receivable (sum of industrial and consumer loans and policy loans) and real estate are as of March 31, 2011

Stringent Investment Risk Management

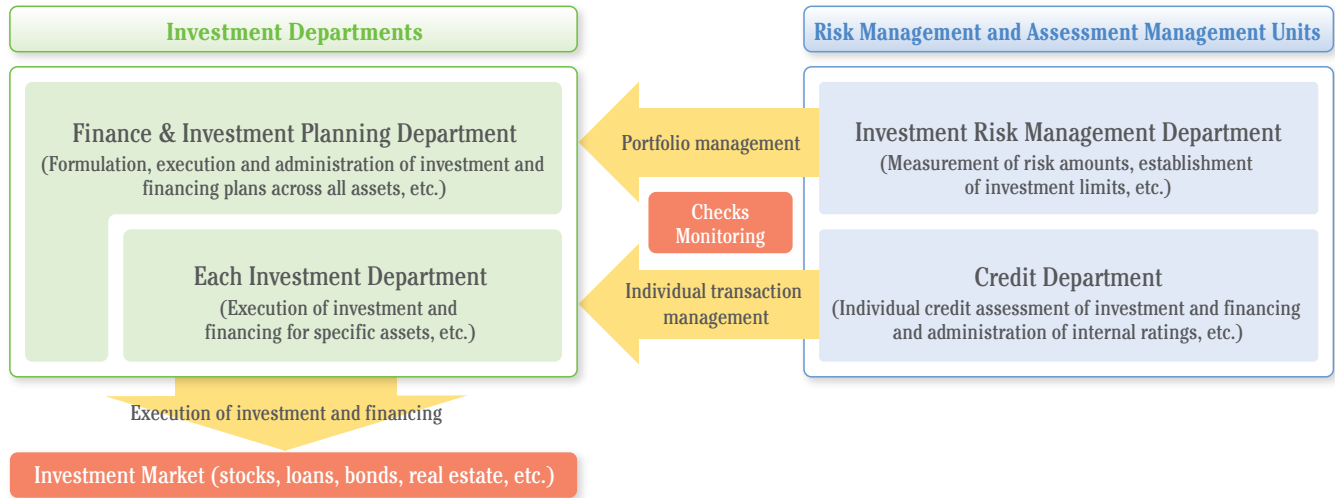
As financial products become increasingly diverse and complex, investment risk management is becoming more and more important.

At Nippon Life, investment departments strive to limit exposure to risk by strictly selecting and diversifying investments, while risk management and assessment management units provide checks by measuring the amount of risk in the portfolio and performing individual credit assessments and

other tasks. Through these measures, Nippon Life strives to secure stable investment returns.

In addition, Nippon Life has put a system in place that enables rapid responses to changes in the market environment by closely monitoring individual investees and market conditions.

[Checking System for Investment Departments]

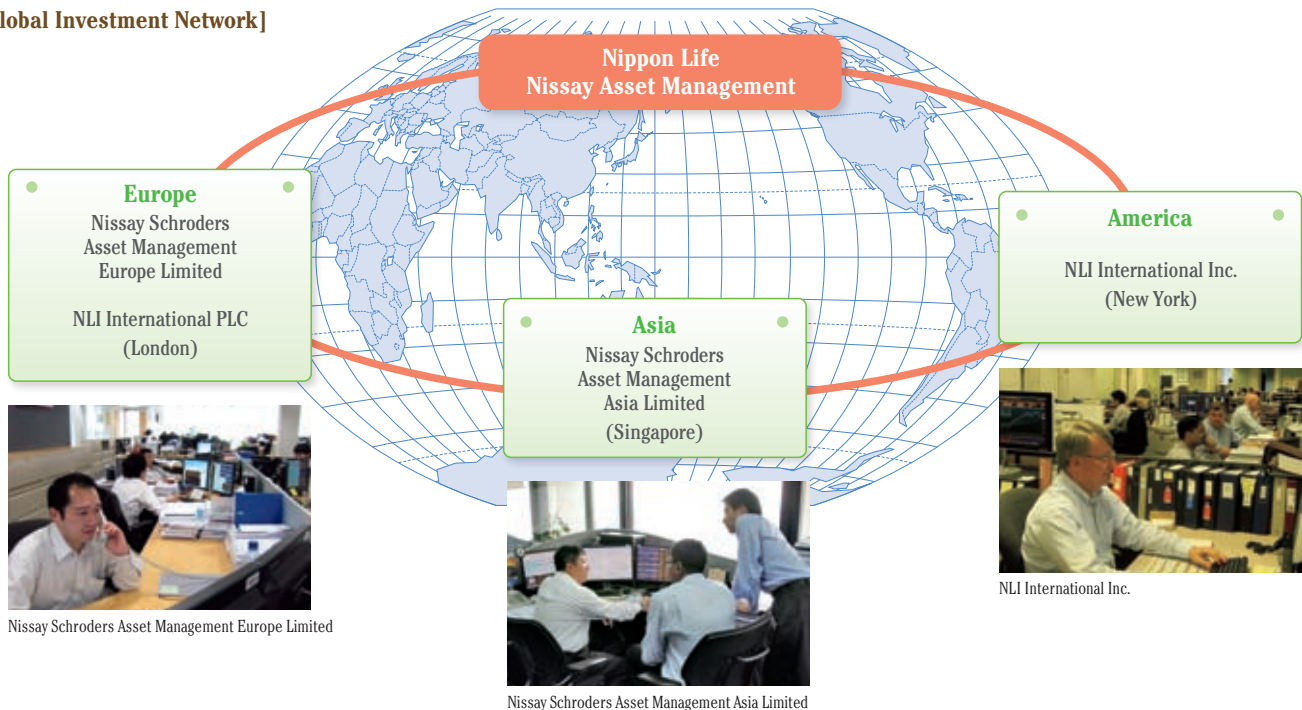


Global Investment Network

Nippon Life has a global investment network comprising investment bases in New York, London, and Singapore, in addition to Nissay Asset Management Corporation, a Nippon Life Group asset management company. As global investment and finance have come to the fore in recent years, Nippon Life has striven to invest in countries and regions with growth potential in order to diversify and multiply its earnings sources.

We are also working to enhance our global investment capabilities through alliances and investments, as well as personnel exchanges and other joint initiatives with leading overseas financial institutions.

[Global Investment Network]



Developing Stronger Human Resources in Greater Numbers and Fostering an Open Corporate Culture

Nippon Life is focused on developing human resources, which are the foundation for attaining excellence in “services” and “financial soundness.” We are also fostering an open corporate culture in which employees are able to perform their duties positively and developing fertile ground for cultivating human resources.

Development of Stronger Human Resources in Greater Numbers

Sales Representatives

Diversifying the Sales Representative Channel

In order to ensure that it provides optimal life insurance products tailored to the various stages of the lives of policyholders, Nippon Life positions face-to-face consulting activities by Nissay Total Partners (sales representatives) as the fundamental element of customer services.

On the other hand, rapid shifts in market conditions and lifestyles, along with the diversification of customer needs, have led to an increase in the number of customers whom Nippon Life cannot meet through traditional sales and consulting activities. In response, Nippon Life is working to diversify its sales representative channels.

Besides Nissay Total Partners at sales offices nationwide, Nippon Life has Corporate and Worksite Financial Coordinators, primarily in urban centers, who visit customers at their workplaces to provide insurance consulting. We also operate Nissay Life Plaza, which offers counter services for customers who wish to complete procedures on their own, and makes out-bound sales calls to customers who we cannot see for extended periods.

We have also recruited sales office manager candidates specialized in management as candidates for management positions. Efforts are under way to cultivate these personnel and enhance their leadership skills.

Non-sales Personnel

Developing Business Professionals

Nippon Life seeks to develop non-sales personnel into business professionals with the wide range of knowledge and perspectives required of Nippon Life employees, as well as the initiative needed to apply their skills to produce results. The basis for these activities are Nippon Life’s three tenets of “conviction,” “honesty” and “hard work.” Nippon Life positions on-the-job training (OJT) at the core of human resources development at each workplace.

Hatsuratsu Training Promotion Office Established

In the fiscal year ending March 31, 2012, Nippon Life established the *Hatsuratsu* Training Promotion Office, with the aim of nurturing core personnel by enhancing the service and consulting capabilities of Nissay Total Partners (sales representatives) with primary responsibility for face-to-face customer services.

The *Hatsuratsu* Training Promotion Office centralizes the collection and dissemination of information about human resources development and support functions mainly for training programs at Nissay Sales Offices and branches. This helps Nippon Life to apply the sales representative channel’s increasingly diverse and sophisticated skills and expertise across the whole organization. Furthermore, Nippon Life has compiled this knowledge in the “Dream Note” textbook on human resources development and leadership, and has distributed it to the next generation of candidates for key positions. In this manner, Nippon Life aims to strengthen human resources development across the organizational boundaries of sales offices, branches and headquarters.

Managerial track positions cover the broadest range of duties, and these personnel constitute the next generation of candidates for management positions. As such, Nippon Life aims to develop managerial track personnel into business professionals who command highly advanced expertise and skills with market value in a variety of fields, including management strategy planning, development and execution, sales and management, asset management, and overseas business.

Measures to Foster an Open Corporate Culture

Nippon Life conducts various activities to foster an open corporate culture in which employees can positively tackle a variety of challenges. This culture of openness has long taken root within the Company.

Specific Activities

Kagayaki Promotion Office Activities

The *Kagayaki* Promotion Office was established in 2008 in the Personnel Department with the aim of making Nippon Life an organization where both the Company and individuals are able to grow continuously by enabling every employee to work positively and vibrantly. The main themes are promoting women’s success in the workplace and supporting a healthy work-life balance. The Office works to develop an environment where all employees can continue to tackle new challenges through various activities. Activities include holding forums attended by *Kagayaki* Promotion Leaders from each office nationwide, as well as preparing handbooks on balancing childraising, nursing care and other responsibilities with careers.

Sharing Issues Through “Branch Caravan” Meetings and Meetings on Management Issues

Nippon Life holds “Branch Caravan” meetings at branches across Japan and meetings on management issues in every department twice every year in the first and second half of the year. Management and employees of Nippon Life, irrespective of job category or tier, participate in these meetings. Management speaks directly with employees about management strategy, and both sides openly exchange opinions.

Fostering Cohesiveness Through the Distribution of Internal Company Newsletter “Kagayaki”

Nippon Life distributes the internal company newsletter “*Kagayaki*” to all employees. Guided by the motto of “a newsletter produced by every employee,” the newsletter puts the spotlight on various workplaces, and on employees as they work hard to fulfill their respective job duties. By presenting these sorts of daily business activities, the newsletter hopes to strike a chord with employee readers, while cultivating a common awareness and fostering cohesiveness throughout Nippon Life.