

CHAPTER 2

Management of Nippon Life

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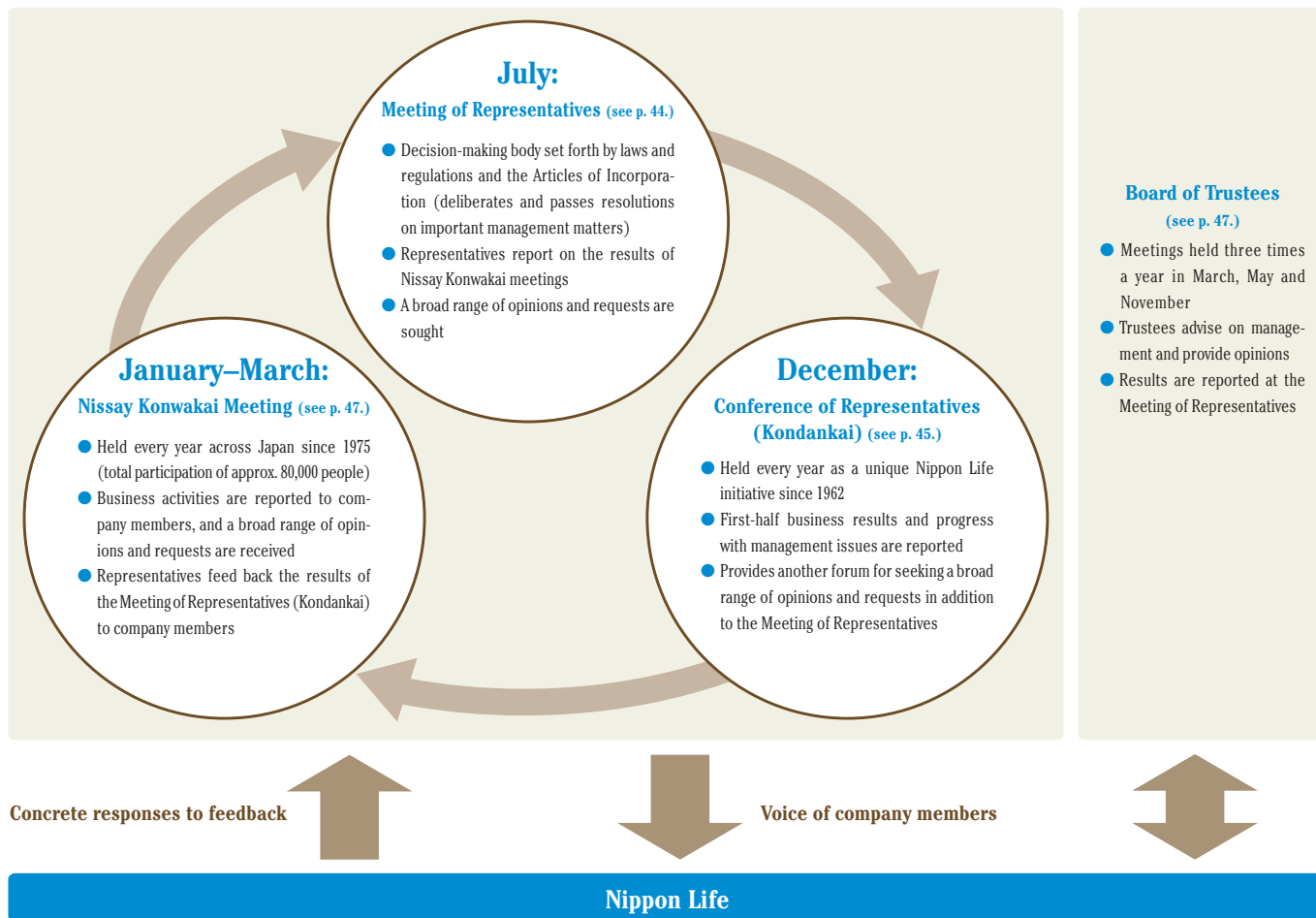
MUTUAL COMPANY FRAMEWORK

A mutual company is a corporate structure based on the concept of mutual aid where policyholders can help each other. Policyholders* become company members of a mutual company when they purchase insurance policies and the company's management reflects the views of policyholders.

*Does not include holders of policies that do not pay dividends

[Management Based on the Voice of Company Members Through the Mutual Company Framework]

Company members (policyholders)



Meeting of Representatives

Established to replace the General Meeting of Members, the Meeting of Representatives comprises policyholders selected to act as representatives. The Meeting of Representatives is equivalent to the general shareholders' meeting of a stock corporation and deliberates and passes resolutions, such as those for amending the Articles of Incorporation, approving proposals for the disposal of surplus and nominating directors and auditors.



The 63rd Meeting of Representatives

Attendance System for the Meeting of Representatives

Policyholders may attend the Meeting of Representatives. Information on how to apply for admission is available at our offices and on our website in May and June.

*Minutes and a summary of the Meeting of Representatives (Q&A summary) are available soon after the event from the Osaka Head Offices, the Tokyo Headquarters and all branches as well as on the Nippon Life website.

➡ <http://www.nissay.co.jp/kaisha/annai/sogo/sodaikai/> (Japanese only)

Conference of Representatives (Kondankai)

The Conference of Representatives (Kondankai) was launched in 1962 as a unique initiative at Nippon Life to further enhance checks over management by the representatives. Held every year, the Conference provides a

forum for management to report on first-half business results and progress with management issues to representatives and receive a broad range of opinions.

Examples of Opinions Expressed at the Conference of Representatives (Kondankai) for the Fiscal Year Ended March 31, 2011 (Held on December 3, 2010)

- In recent years, agricultural business leaders have been running strong operations using organizational models based on corporations. In this context, could you provide an update on Nippon Life's sales activities and business development in the agricultural sector?
- The consulting abilities, communication skills, and professionalism of sales representatives seem to be the basis of Nippon Life's "face-to-face" approach to customer services. I would like to see Nippon Life continue to offer highly specialized training programs to sales representatives.
- The methods used by life insurers to perform age calculations during policy enrollment are generally difficult to understand. Why not clearly state the age range for which the premium shown on the prospectus will be effective?
- Young people are likely to have a strong interest in asset formation and savings-type products. What is Nippon Life's policy on product development and sales promotions in this area?
- I find it reassuring that Nippon Life is strongly concerned about its current performance, and is pursuing various initiatives in response. However, given Japan's falling population and aging society, shouldn't Nippon Life focus more on enhancing its financial soundness, rather than concentrating solely on reversing the decline in the number of policyholders?
- There are many examples around the world in which arts and cultural activities have led to the revitalization of communities. From the standpoint of supporting future generations of society, I would like Nippon Life to continue its social contribution activities over the long term.
- Reversing the investment spread from negative to positive in the first half of the year was commendable. However, what is your outlook for the increasingly opaque investment environment, particularly in North America and Europe? What is Nippon Life's investment approach?
- I believe that Nippon Life is an organization where many female employees are highly successful. That being the case, why not appoint more actively female employees?
- The operating environment will continue to change drastically. Even so, I hope that Nippon Life will continue to embrace a broad range of opinions from various forums, including the Meeting of Representatives, the Conference of Representatives (Kondankai), and Nissay Konwakai, and put this feedback to good use in management.
- What is Nippon Life's take on the life insurance industry's prospects for the future?

*The results of the Conference of Representatives (Kondankai) are available on Nippon Life's corporate website.

Representatives and Their Election

Representatives

According to the Articles of Incorporation, each representative's term of office is generally four years and can extend to eight years if they are selected for a second term. The number of representatives currently stands at 200.

Nippon Life selects policyholders as representatives, and, because they check management from a diversity of perspectives, they are

chosen from among people in many occupations and ages and from many parts of the country. They participate in the Meeting of Representatives and deliberate with the Company through direct question and answer sessions.

From this perspective, Nippon Life believes that the number of representatives is set at an appropriate level.

Election of Representatives

To represent the interests of all policyholders, representatives are chosen who have no ties to the interests of specific policyholders among the approximately 9.34 million policyholders, based on the perspective of fairly reflecting the opinions of policyholders at the Meeting of Representatives.

In this context, the Representative Nomination Committee recommends candidates, and policyholder voting has been adopted as the means to directly reflect policyholders' opinions of the candidates.

In addition, representatives are also selected from among policyholders who have participated in Nissay Konwakai (see p. 47.), a forum where management receives opinions and requests from policyholders.

Although we have not adopted a system in which policyholders desirous of becoming representatives can be directly selected as representative candidates, Nippon Life will continue to promote this method of selecting representative candidates from among policyholders who participate in the Nissay Konwakai and aims to diversify selection methods.

● Representative Nomination Committee

The Representative Nomination Committee is composed of members chosen from among policyholders by the Meeting of Representatives. The Representative Nomination Committee decides on selection standards for representative candidates and selects representative candidates from a broad base of policyholders. In addition, Nippon Life works to ensure the independence of the selection process by appointing an external person to the position of head of the secretariat of the Representative Nomination Committee, which also ensures the fairness and transparency of the representative nomination process.

● Policyholder Voting

All policyholders vote for individual representative candidates selected by the Representative Nomination Committee. If the total number of no-confidence votes for individual candidates is less than 10% of the total number of policyholders, candidates are selected as representatives.

Selection Standards for Representative Candidates

1. Required Qualifications

- (1) Is a policyholder of Nippon Life
- (2) Is not a representative of another life insurance company

2. Eligibility Standards

- (1) Has a strong interest in the life insurance business and the management of Nippon Life and has adequate insight as a representative
- (2) Can be expected to actively participate as a representative in the Meeting of Representatives and other events
- (3) Is able to check and advise on operations and management as necessary in addition to making fair decisions at the Meeting of Representatives to promote the interests of all policyholders

3. Selection

Representative candidates are selected from a broad base of policyholders with an emphasis placed on ability to represent policyholders and to inspect management.

- (1) We select representative candidates to ensure well-balanced policyholder representation in terms of geographic region, age and gender.
- (2) We select representative candidates to ensure checks over management, specifically candidates who are able to check and advise on operations and advise management from diverse viewpoints, including from management, consumer, and specialist perspectives, while giving consideration to occupation, specialties and other factors.

Qualifications for Selecting Representative Nomination Committee Members

- (1) Has a strong interest in and a deep understanding of the life insurance business and mutual company management and adequate insight as a representative
- (2) Is able to fairly and impartially select representative candidates
- (3) Is able to participate in the Representative Nomination Committee

Time of Policyholder Voting

Voting for representative candidates is held once every two years from August to September. The next election by policyholders is scheduled for 2012. (Voting materials shall be sent to all Nippon Life policyholders.)

Nissay Konwakai

The Nissay Konwakai meetings are held every year throughout Japan. These conferences provide opportunities for Nippon Life to explain its business activities and for policyholders to voice their opinions and requests on overall management as well as products and services. Konwakai have been held since 1975.

From among the opinions and requests (see p. 48.) that we receive from participants, we identify and respond to those that are most frequently expressed. These items are then reported to the Meeting of Representatives and Board of Trustees. The participants include several representatives and directors, and we continue to work to improve ties between the Nissay Konwakai and the Meeting of Representatives.



Nissay Konwakai

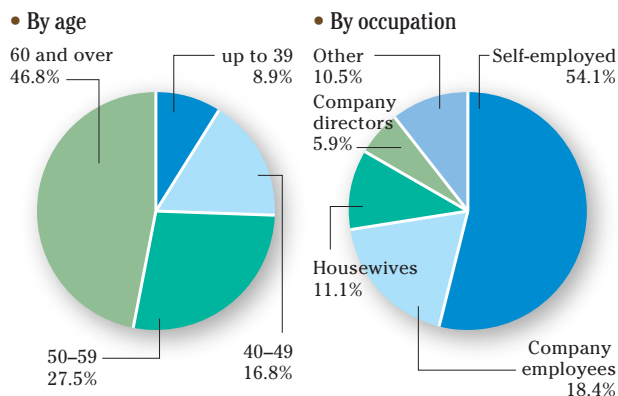
Status of the Nissay Konwakai Meeting in Fiscal Year Ended March 31, 2011

From January through March 2011, we held Nissay Konwakai meetings in 114 locations around Japan, bringing together a total of 141 representatives and 2,478 policyholders and receiving a total of 5,306 opinions and requests. At the Nissay Konwakai meeting, we strove to provide easy-to-understand explanations, using video and other materials, of performance in the first half of the fiscal year ended March 31, 2011, the development of the products and services reflecting opinions expressed at the Nissay

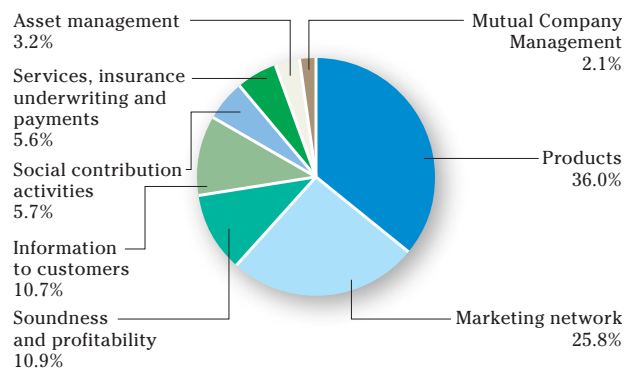
Konwakai meetings, and other topics. Opinions and requests received at the Nissay Konwakai meetings are thoroughly examined by the relevant departments and every effort is made to reflect them in management. The following are some of the main opinions and requests that we received during the fiscal year ended March 31, 2011.

*The results of Nissay Konwakai meetings are available at the Nippon Life corporate website.

[Description of Participants in Fiscal Year Ended March 31, 2011]



[Categories of Opinions and Requests in Fiscal Year Ended March 31, 2011]



*In addition to the above, we received 904 comments from participants in the Nissay Konwakai.

Board of Trustees

Nippon Life has a Board of Trustees that serves as a management advisory body to ensure the appropriateness of management. Trustees are elected at the Meeting of Representatives from among policyholders and academic experts. Trustees give opinions on advisory matters and important

management issues and deliberate on policyholder opinions regarding corporate management. The results of these opinions and deliberations are reported at the Meeting of Representatives.

Major Opinions and Questions at Nissay Konwakai Meetings and Our Responses

Q

Nippon Life has sales representatives standing by to offer assistance with any issue. This gives me great peace of mind. I would like Nippon Life to continue to emphasize “face-to-face” customer services.

A

- Life insurance policies represent a long-term commitment. Nippon Life believes that after-sales services tailored to changes in the lives of policyholders and their families as well as their living environment are extremely important to ensuring long-term policyholder satisfaction over the entire period of an insurance policy, not just at the time of enrollment.
- Based on this approach, Nippon Life conducts “Policy Details Confirmation Activities,” which are basic activities of sales representatives that demonstrate the strength of “face-to-face” customer services. Our nationwide sales representatives visit each and every policyholder to confirm the content of customer policies, such as the terms and conditions of insurance payments, and provide information about various services. In addition, our sales representatives continue to offer optimal consulting services matched to significant events in the lives of policyholders and their families, while introducing the *Zutto Motto Service* launched in April 2010.
- In annual customer satisfaction surveys conducted by Nippon Life, customers who have undergone “Policy Details Confirmation Activities” show a much higher degree of customer satisfaction than customers we have yet to visit. This has served as a powerful reminder of the importance of “face-to-face” customer services.
- Going forward, Nippon Life will continue working to develop human resources, focusing on improving the consulting skills of sales representatives and other priorities. We will make certain that we provide after sales services to all customers based on “Policy Details Confirmation Activities,” as we endeavor to ensure even greater customer satisfaction.
- In the aftermath of the Great East Japan Earthquake, we have striven to provide peace of mind to our policyholders through “face-to-face” customer services. We have already visited customers in the affected areas, as permitted by staffing levels. While checking up on the safety of customers, we are working to provide information about filing procedures for insurance claims and other payments, and deliver gifts expressing Nippon Life’s sympathies.
- Nippon Life is also offering special treatment for customers personally affected by the earthquake. For example, we have introduced simplified and fast payment of insurance claims and benefits, and have extended the grace period for the payment of premiums. However, to make certain that we provide sufficient services to all customers in the affected regions, including policyholders who sales representatives are unable to visit, Nippon Life has made a company-wide effort to implement the following measures:
 - (1) Extension of Call Center hours
 - (2) Launch of a special earthquake response website on the Corporate website
 - (3) Establishment of special earthquake response counters and other sites for various insurance procedures
- Nippon Life is using every means at its disposal to provide information about filing procedures for insurance claims and benefits, such as notices via post, email, and the mass media, in addition to “face-to-face” consulting, to ensure that policyholders are able to receive all claims, benefits and other payments in full. These efforts are designed to make certain that we live up to our mission as a life insurance company—to fulfill our coverage responsibilities to policyholders. All of Nippon Life is working to support the future lives of customers personally affected by the earthquake.

Q

Mirai Support is very easy to understand. The Best Doctors® Service is also a very good offering. I hope that Nippon Life continues to develop such easy-to-understand, high-quality products and services.

A

- Nippon Life launched *Mirai Support* in October 2008 and comprehensive medical insurance product *My Medical EX* in April 2009. These products were developed based on extensive customer feedback obtained through “Policy Details Confirmation Activities” and other channels. We received comments such as “Policies are difficult to understand because there are so many riders,” and “I would like Nippon Life to make coverage details easier to understand.” The primary goal for these and other products is to be easy to understand. These policies have proven highly popular, recording sales of around 4 million policies since their launch.
 - The Best Doctors Service* is a specialist physician referral service offered to *Mirai Support* and other policyholders. This service provides a free referral to those diagnosed with a serious illness, such as cancer, to a specialist who can provide treatment or a second opinion. The specialists are selected from a pool of around 4,300 specialists in Japan based on a mutual evaluation among doctors. This service was launched in April 2010 in response to feedback received from numerous customers requesting Nippon Life to provide a physician referral service through Nissay Konwakai and other forums.
- *The Best Doctors Service is provided by Best Doctors, Inc. Headquartered in the U.S., Best Doctors, Inc. provides specialist referral services that enable patients to receive proper treatment and obtain second opinions appropriate to their medical condition. Services are provided in countries around the world.
- Nippon Life has received the following comments from policyholders using the Best Doctors Service, indicating a high degree of satisfaction with the service:
 - (1) “The doctor I was referred to provided me with an answer before I could start asking questions. The answer was convincing. I also learned new information. I’m very satisfied with the service.”
 - (2) “Without knowing about this service, I might have had no choice but to choose a doctor with unknown credentials from my limited knowledge. I might have spent the same amount of time and money on such a doctor for an unconvincing diagnosis. I feel very fortunate to have come across the Best Doctors Service.”
 - Looking ahead, Nippon Life will continue to seek the opinions and requests of policyholders through Nissay Konwakai meetings, “Policy Details Confirmation Activities” and various other settings. In the process, we aim to continue providing easy-to-understand products and services.

Other Opinions and Requests

[Management Overall]

- As Japan’s population declines and the aging of society continues with fewer births, what will be Nippon Life’s sales strategy for the Japanese market?
- I want Nippon Life to continue increasing equity and enhancing its financial soundness. I also want Nippon Life to increase dividends and other returns to policyholders.
- Please tell me more about Nippon Life’s approach to overseas business development and its future plans.
- Won’t Nippon Life demutualize and become a joint stock company?

[Products and Services]

- Because there are frequent changes in sales representatives, I want Nippon Life to nurture sales representatives who can stay on the job for the long term. Also, I’ve noticed that consulting skills vary by sales representative. Please provide proper training.
- Nippon Life held a seminar for my company’s employees, which was very popular among participants. I want Nippon Life to continue holding such seminars.
- Isn’t Nippon Life considering insurance sales over the Internet?
- Young people seem to be showing less interest in insurance products. How is Nippon Life addressing this issue?

- I want Nippon Life to develop products with lower premiums.
- Why not further upgrade service details for the *Zutto Motto Service* and promote this service more extensively?
- I am relieved that we have switched our approved pension plan to a new plan without any problems. Will Nippon Life as a whole have enough time to complete the transition of all such pension plans by March 2012?
- Insurance procedures are complicated and bothersome. Is there anything Nippon Life can do?
- Will Nippon Life develop TV commercials explaining policy details like those of other companies?
- Aioi Nissay Dowa Insurance Company was recently formed through a merger. What are the advantages of enrolling in this company’s insurance policies for Nippon Life policyholders?

[Asset Management]

- The outlook for the investment environment is uncertain. I want Nippon Life to conduct asset management safely and securely.

[Social Contribution Activities]

- I support Nippon Life’s variety of programs for children. Why not continue such programs, while promoting them more extensively?

What is a Mutual Company?

A life insurance company is established as either a “joint-stock company” or a “mutual company” as stipulated by the Insurance Business Act.

A mutual company is a form of company recognized only in the insurance industry. Based on the concept of mutual aid, it is an incorporated body in which policyholders* are enrolled in insurance policies and at the same time company “members.”

Nippon Life has been formed as a mutual company.

Nippon Life decided to form as a mutual company for the following two practical reasons:

- The framework for distributing surplus as a mutual company (through the return of a major portion of surplus from business operations to policyholders,* without the need to consider shareholder dividends) corresponds with Nippon Life’s belief that policyholder interests come first and should be maximized.
- Life insurance companies have a responsibility to preserve long-term financial soundness and generate a consistent surplus in order to meet obligations for paying claims and benefits to policyholders.

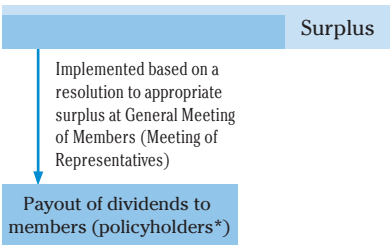
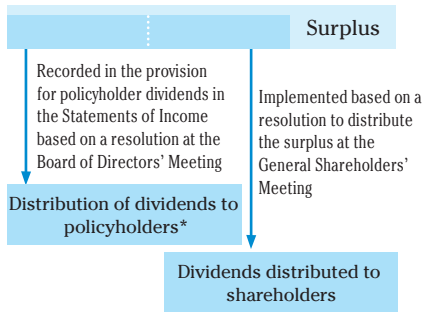
We believe that the mutual company structure is best suited to maintaining the long-term stability of business operations.

Mutual companies are often compared with joint-stock companies with respect to the flexibility of fund procurement and transparency of corporate governance.

For flexibility of fund procurement, by making continuous use of the public securitization of foundation funds (*kikin*) and other fund procurement schemes, Nippon Life has total foundation funds (*kikin*) (sum of foundation funds and reserve for redemption of foundation funds) of ¥1,100 billion.

For transparency, we are improving corporate governance to make our management more transparent (see p. 50.) and taking actions to reflect input from customers in our management (see p. 62.). We are also enhancing public access to information about our operations through financial information meetings and our website.

[Primary Differences between a Mutual Company and a Joint-Stock Company in the Insurance Business]

Mutual Company		Joint-Stock Company
Insurance Business Act	Laws governing the insurance industry	Company Act
Non-profit/non-charitable intermediate corporate body	Characteristics	Profit-making incorporated association
Company members (=policyholders*) <small>*Policyholders* are enrolled in insurance policies and at the same time company members</small>	Membership	Shareholders <small>*Become shareholders through the acquisition of stock</small>
General Meeting of Members (Meeting of Representatives)	Decision-making body	General Shareholders’ Meeting
	<p>Dividend distribution</p> <p><small>*This diagram is only meant to explain the dividend distribution system and is not intended to explain amounts of money or advantages and disadvantages.</small></p>	

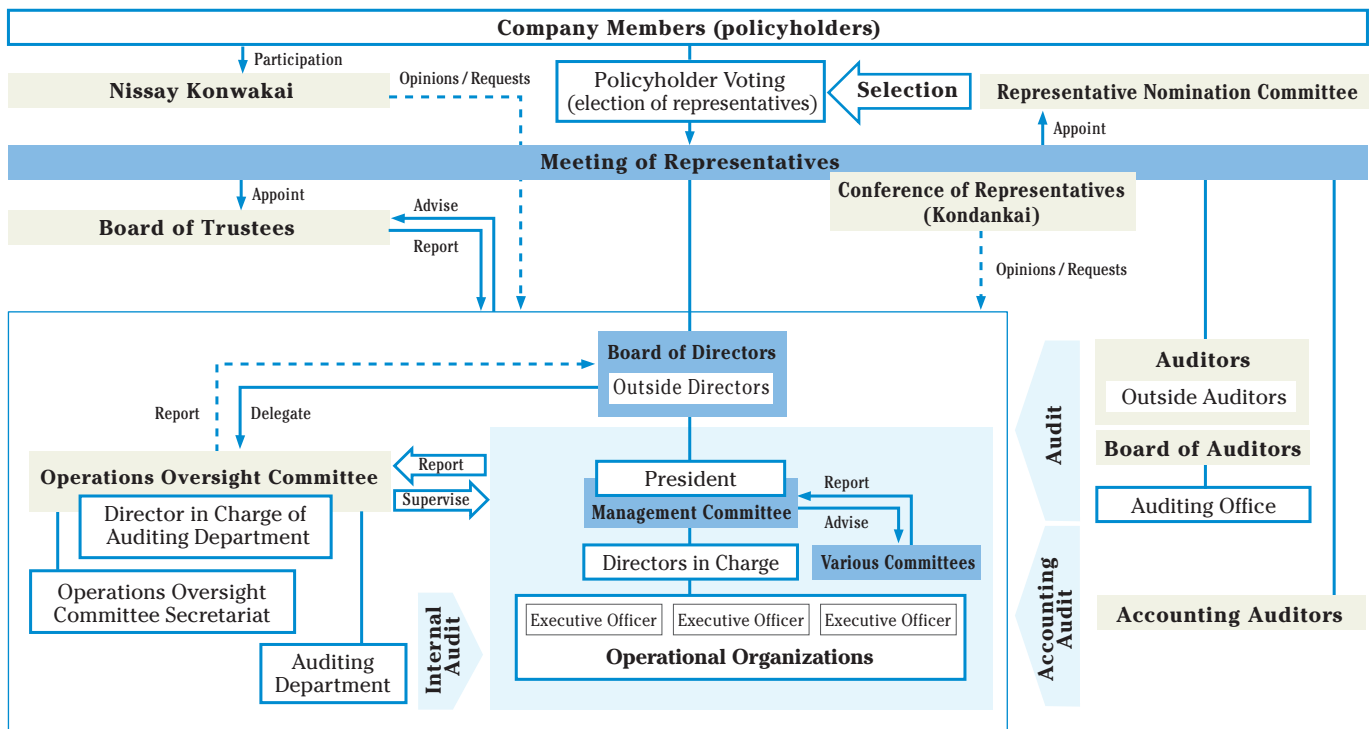
*Excluding nonparticipating insurance policyholders

CORPORATE GOVERNANCE SYSTEM

Nippon Life has constructed a corporate governance system that ensures the appropriateness of management and increases transparency.

Specifically, the Company has built a system that more widely reflects policyholder feedback in management through a mutual company framework. (See p. 44.) In addition, to ensure that external points of view are actively incorporated and that a system of checks and balances is placed on management, we have appointed outside directors and established an Operations Oversight Committee. We have also established an Auditing Department to ensure that operations are sound and carried out properly.

[Diagram of Corporate Governance System]



Board of Directors

The Board of Directors reaches decisions about important affairs concerning business operations based on decisions made at the Meeting of Representatives. The Board of Directors also supervises the performance of the directors. There are 18 directors, of whom four are outside directors (including three who meet the legal requirements for outside directors). Directors who are responsible for business areas are also, in

principle, executive officers who are directly responsible for business operations. This structure unifies two functions in the Board of Directors: decision-making and supervision for the execution of business operations. With this structure, the Board of Directors is able to directly view the status of activities in each business operation.

Auditors and Board of Auditors

Auditors are responsible for auditing the performance of directors by attending meetings of the Board of Directors and other important meetings. In addition, the Board of Auditors discusses significant matters concerning audits and reaches decisions. Nippon Life has six auditors, including four outside auditors (one of whom is full time). Auditors implement measures to strengthen and expand auditing functions. For

example, meetings are held on a regular basis and at other times as necessary to allow the accounting auditors, Auditing Department and auditors to work closely together. Meetings provide an opportunity to exchange opinions and information about audit plans, the status of audits and the results of audits.

Operations Oversight Committee

This committee is composed of outside directors, three policyholders and a director exclusively responsible for the Auditing Department. The committee was commissioned by the Board of Directors to fulfill a supervisory function and, as a body directly connected to the Board of Directors, supervises and oversees all of the business affairs of Nippon Life.

The director in charge of the Auditing Department manages and directs the Auditing Department in line with the discussions and decisions made by the Operations Oversight Committee, thus ensuring the effectiveness of internal audits.

ENHANCING THE INTERNAL CONTROL SYSTEM

To ensure that operations are appropriate and to raise corporate value, we established at the Board of Directors meeting a basic policy for the internal control system (a system that ensures appropriateness of Company operations). Based on this policy, we have developed an internal control system that includes the following systems.

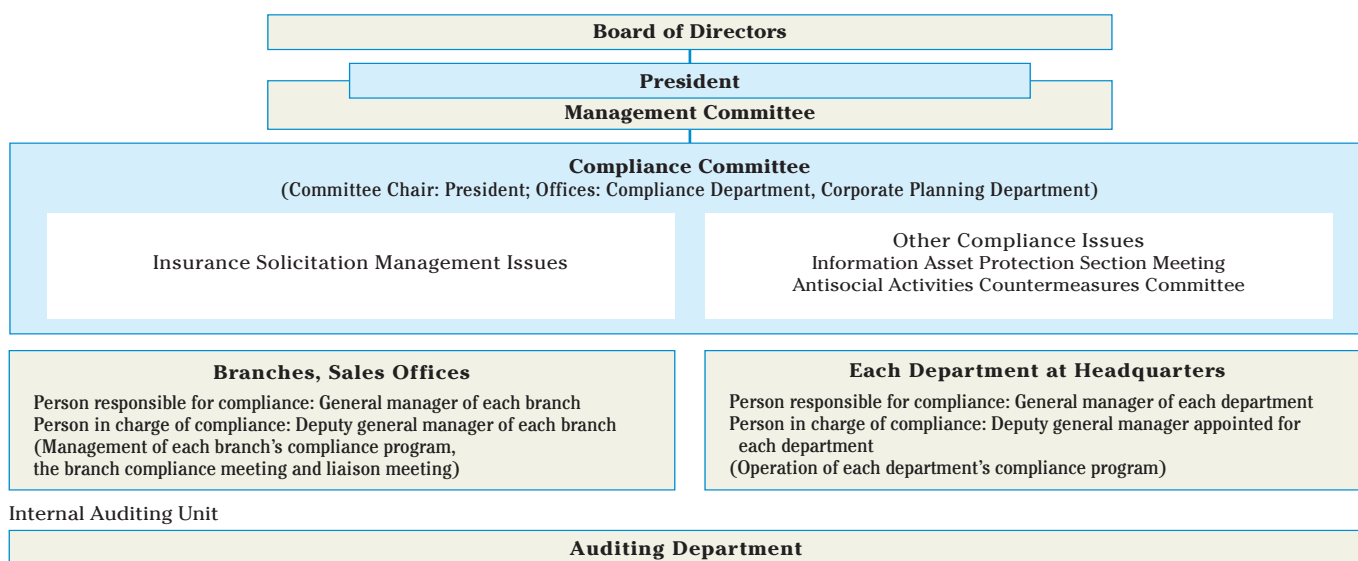
- Management control system
- (Internal) audit system
- Rapid decision making and business execution structure based on executive officer system
- Internal control over financial reporting
- Information management system
- Risk management system
- Compliance system
- Antisocial activities damage prevention system
- Conflicting interests management system
- Group company management system

PROMOTING COMPLIANCE

Compliance at Nippon Life goes beyond merely observing relevant laws and regulations, and extends to complying with all social norms, earning the trust of customers and society, and performing our work with sincerity. All directors and employees bear the responsibility of compliance and, considering compliance to be a fundamental operating premise, strive to promote compliance throughout the Company.

Compliance System

[Diagram of Compliance System]



Nippon Life established the Compliance Committee as an advisory body to the Management Committee. The Compliance Committee comprehensively controls and manages the compliance system, including insurance solicitation management, by deliberating on measures related to compliance issues and by monitoring organizational efforts.

In addition, the Information Asset Protection Section Meeting and the Antisocial Activities Countermeasures Committee were established as advisory bodies to investigate and implement specific countermeasures for every issue. Their duties include instituting and promoting an information asset protection system primarily for customers and to conferring on measures for blocking antisocial activities, such as those of gangs, and promoting internal education.

The Compliance Department was established to exert Companywide control over compliance. The Compliance Department is attempting to instill an understanding of compliance-related information throughout the Company by adopting an integrated system for reporting inappropriate or suspicious behavior. Under this system, such behavior at branches and headquarters departments is reported to the Compliance Department. At the same time, at each branch and headquarters department we have appointed individuals to be in charge of compliance (compliance officers) who are charged with following up on compliance-related efforts.

At each branch and headquarters department, general managers are responsible for compliance. Deputy general managers and managers appointed to each branch and department are in charge of compliance. Together, they form a system that rigorously implements compliance programs as part of operational management.

Formulating and Implementing the Compliance Program

The Board of Directors formulates the compliance programs every year as concrete measures for the promotion of compliance. Each branch and headquarters department also formulates its own branch or divisional compliance programs in response to specific issues arising from its diverse operations and works to implement these programs in daily operations.

The formulation and implementation status of these programs is routinely tracked and followed up by the Compliance Department and at the same time new issues are reflected in the programs.

Teaching and Entrenching Compliance Principles

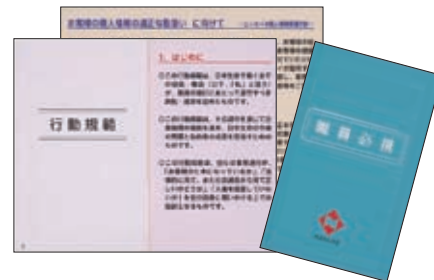
Nippon Life has established a Code of Conduct that sets forth the principles and standards that all directors and employees must abide by in the course of daily business. The Code of Conduct is set out in a small booklet entitled *An Employee Booklet* that all directors and employees are required to carry so they can refer to it at any time in case they are unable to decide based on the performance of their duties whether they are operating from a customer perspective; if what they have done is legally or socially acceptable; or whether they have infringed on someone's human rights. We have also created a *Compliance Manual* that explains the Code of Conduct and the operations of each division from a compliance perspective and have thoroughly instilled their teachings in all directors and employees.

Nippon Life provides all directors and employees with compliance textbooks and various other training materials. In these materials, proper training on soliciting insurance policies and after-sales services is offered, reflecting an industry-wide educational curriculum standard.

Legal and other compliance-related educational programs are provided regularly through internal satellite broadcasts (NICE-NET) for sales representatives who serve customers. Quizzes about compliance matters

are given regarding the content of the broadcast compliance programs to ensure that employees have understood the material.

Non-sales personnel undergo group training according to job category and receive training based upon the compliance programs of their departments in order to enhance their knowledge of compliance as it relates to their work.



An Employee Booklet

Dealing with Antisocial Activities

Basic Rules Pertaining to Antisocial Activities

In the Code of Conduct, Nippon Life has established rules and standards that all directors and employees must observe when executing their duties. Among them are rules that state that employees must not get involved in antisocial activities that pose a threat to social order and

safety, such as those of gangs. If one has knowingly had contact with antisocial activities, he/she must immediately report this contact to their superior, take a resolute stand and deal with the matter in a methodical manner.

Initiatives against Antisocial Activities

In its Corporate Principles and basic policy for the internal control system (a system that ensures appropriateness of Company operations), Nippon Life has made a commitment to resolutely confront antisocial activities that pose a threat to social order and safety. Nippon Life has also established an Antisocial Activities Countermeasure Committee to upgrade its internal system for addressing this issue. The Company promotes partnerships with external organizations, including the Life Insurance Association of Japan and the police, as well as discussions of

countermeasures against such antisocial influences as gangs and internal education.

The General Affairs Department has been positioned as the organization to deal with antisocial activities. A system of centralized control has been built to prevent damage from antisocial activities that enables employees to immediately report incidents, such as those involving undue claims, when they arise, to the General Affairs Department.

Risk Management System

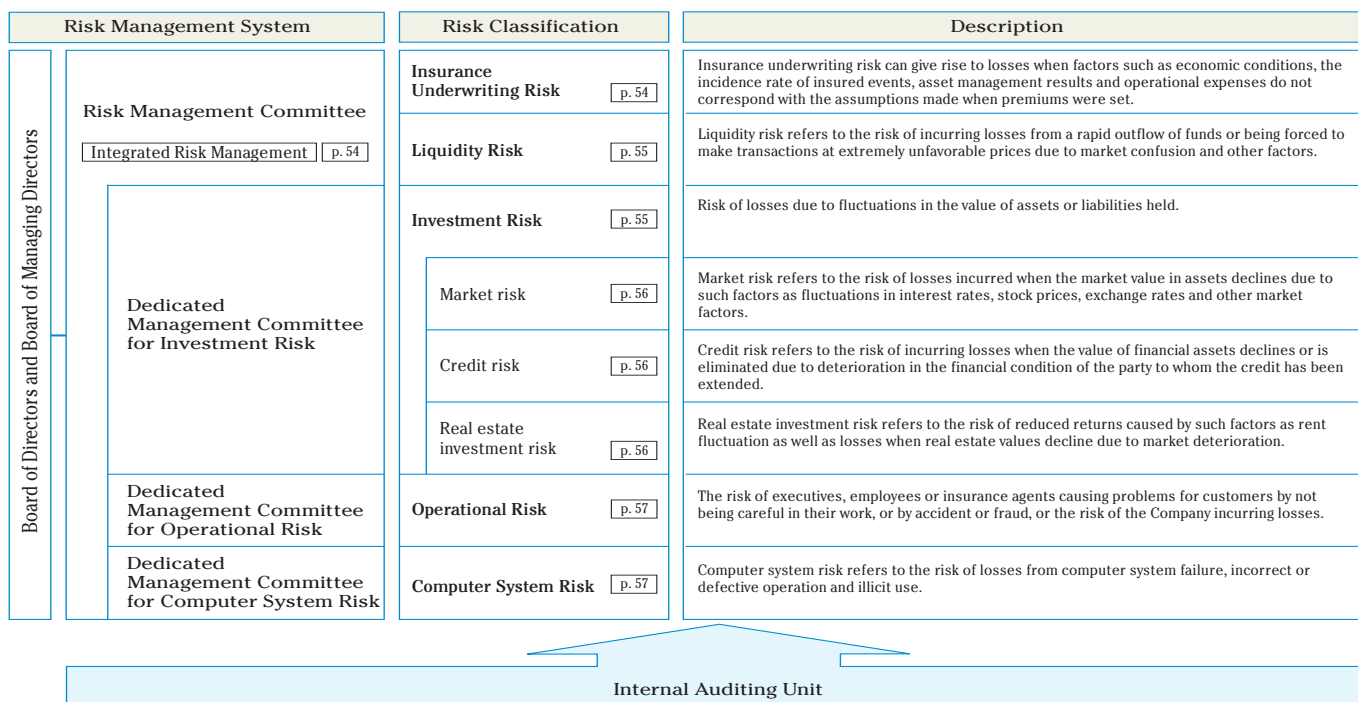
Underwriting the long-term risk of customers is the essence of the insurance business, and the correct identification and appropriate management of respective aspects of risk are of utmost importance in Nippon Life's management. Moreover, as life insurance companies operate in an environment of abrupt fluctuations in share prices and interest rates, along with rapid progress in medical technology, the importance of risk management is growing increasingly pronounced for them.

For this reason, Nippon Life develops and upgrades its risk management to ensure that it meets its obligations to customers over the long term.

Based on the areas and types of risk to which life insurance companies are exposed, our approach to risk management involves a variety of initiatives to create and enhance risk management systems as well as rules and regulations. We manage risks in an integrated fashion that takes into account their overall impact on operations.

In addition, we have built a system of mutual checks and balances involving the establishment of risk management units that are independent of profit centers while establishing secondary checks and balances, including examinations of the effectiveness of risk management conducted by the Internal Auditing Unit.

[Risk Management System]



Integrated Risk Management

Nippon Life takes an integrated management approach to the various risks facing the entire Company. In addition to managing each category of risk, we closely monitor the overall magnitude of each type of risk relative to our risk buffer (equity, etc.), and report such conditions regularly to the Risk Management Committee.

Stress Tests

Nippon Life implements “stress tests” that assume such scenarios as a dramatic deterioration in the operating environment or increased payments for claims and benefits due to a major earthquake or other disasters. We then analyze the effects of these scenarios on the

financial soundness of the Company. The results of the stress tests are reported to the Risk Management Committee and, where appropriate, are useful aids when studying such items as financial soundness.

Insurance Underwriting Risk Management

Insurance underwriting risk can give rise to losses when such factors as economic conditions, the incidence of insured events, asset management results and operational expenses do not match the predictions made when premiums were set.

A life insurance company must fulfill its responsibility to bear the risk it assumes on behalf of customers for long periods extending over many decades. This requires the setting of reasonable premium rates that enable

the stable payment of insurance claims and an appropriate level of risk control for upholding our coverage responsibilities based on examination and assessment of the health condition of the insured at the time of insurance underwriting. In addition, we employ an asset liability management (ALM) system, conduct appropriate benefit settlement assessments and adhere to rigorous cost management principles with the aim of responding flexibly to changes in the business environment and other conditions.

Dealing with Risks in Setting Premiums

Nippon Life sets insurance premiums after expert staff who hold qualifications as doctors or actuaries (experts who use mathematical techniques to set insurance premiums and ensure financial soundness) have analyzed reliable statistical data indicating the frequency ratios of the incidence of

insurance claims and other payments. We also conduct numerous simulations based on the set premiums to verify whether or not we will be able to meet future coverage obligations for customers.

Responding to Risk Related to Policy Selection and Benefit Settlement Assessments

When Nippon Life considers underwriting a new policy, medically-qualified staff or staff with medical expertise conduct a medical examination and assessment while other expert staff perform a more intensive assessment from the perspective of moral risk. Depending on the results of this process, we may choose to impose special conditions, such as increased premiums, that will allow us to offer a wide variety of fairly priced insurance products to as many customers as possible.

We are also diligent about managing risks related to paying out insurance claims and benefits. Medically qualified staff or staff with medical expertise are used in the assessment of payments. Nippon Life undertakes rigorous risk management, using outside organizations for verification and through other measures.

Policy Selection: Life insurance is a system of mutual dependence involving customers paying premiums that are calculated on the basis of the rate of incidence of insured events. The insured party pays premiums based on his or her state of health, and, when the insurance is underwritten, a medical examination and an assessment are made to ensure that all insured parties are treated fairly.

Moral Risk: As a system in which payments from many policyholders are used to provide insurance against the unexpected, life insurance is inherently subject to the danger that some parties might make small premium payments and then attempt to illegitimately gain a large payout, an act that denies the very essence of the system. This is what is generally referred to as moral risk.

Reinsurance Policies

Nippon Life reinsures as one strategy for diversifying risk. In such cases, Nippon Life determines the cede/assume transaction details by means of a review conducted by the Risk Management Committee after considering the types and characteristics of risks. Moreover, in reinsurance transactions, we evaluate the creditworthiness of each reinsurer based on rankings provided by major ranking agencies and

other factors and manage accounts so that transactions do not focus excessively on specific reinsurers.

Reinsurance: Reinsurance is the diversifying and leveling of risk through the transference of a portion of an insurance policy obligation assumed by an insurance company to another domestic or foreign insurance company. The transference of a portion of an insurance obligation is referred to as “cede” and the assumption of an obligation is referred to as “assume.”

Liquidity Risk Management

Liquidity risk consists of cash flow risk and market liquidity risk. Cash flow risk refers to the risk of incurring losses from a worsening cash flow caused by a rapid outflow of funds due to an unexpected event, such as a major natural catastrophe, which would force the disposal of assets at extremely low prices.

Market liquidity risk refers to the risk of incurring losses from being unable to make transactions due to market confusion or other factors or being forced to make transactions at extremely unfavorable prices.

Dealing with Cash Flow Risk

Nippon Life deals with cash flow risk via asset management plans and daily cash flow management that together ensure that highly liquid assets exceed a given threshold. In the event that cash flows were actually to deteriorate,

we would take countermeasures, such as establishing maximum holding ceilings for less liquid assets.

Dealing with Market Liquidity Risk

Nippon Life deals with market liquidity risks by establishing appropriate transaction limits for each type of asset in line with market conditions.

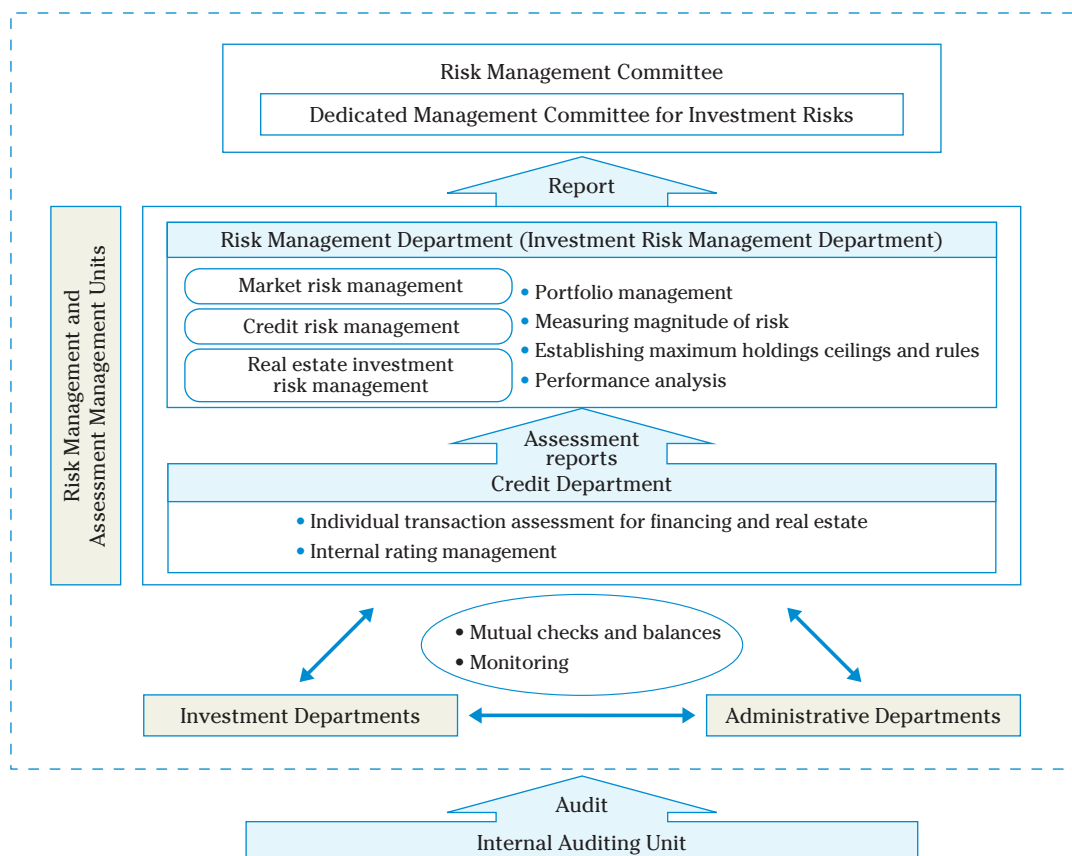
Investment Risk Management

Investment risk, which can be categorized into market risk, credit risk and real estate investment risk, refers to a variety of risks associated with investment and finance activities.

The long-term nature of life insurance policies requires a long-term approach based on liability characteristics to managing risks associated

with investment. Nippon Life has therefore established an Investment Risk Management Department within the Risk Management Department, and, by maintaining and upgrading its rigorous system for managing risks, the Company seeks to limit losses to acceptable levels while pursuing stable returns.

[System of Managing Investment Risk]



Market Risk Management

Market risk refers to the risk of losses incurred when the market value of invested assets and liabilities declines due to such factors as fluctuations in interest rates, exchange rates or stock prices. In addition to preventing the occurrence of large-scale losses on individual investment and finance

● Establishing Maximum Holding Ceilings

To prevent the occurrence of large-scale losses on individual investment and finance transactions, Nippon Life establishes maximum holding ceilings based on the nature of the assets. The Company also regularly reports the state of compliance to the Dedicated Management Committee for Investment Risk and is developing systems to contain risk within acceptable limits when certain transactions violate these ceilings and rules.

Credit Risk Management

Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and bonds, declines or is entirely eliminated due to the deterioration of the financial condition of the party to whom credit has been extended. We believe that in managing credit risk it is important to

● Credit Risk Management in Individual Transactions

We have built systems for rigorous examination that involve a Credit Department independent of the departments handling investment and finance activities. We are working to construct a sound portfolio, including loan interest rate guidelines to ensure that the returns we obtain are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company or group.

Loan Interest Rate Guidelines: Loan interest levels are set on the basis of such factors as the potential loss that Nippon Life could incur in the event of a borrower bankruptcy.

Internal Rating System: This system classifies the creditworthiness of a borrower based upon an objective statistical analysis of its financial data and other attributes. This system is used in conjunction with our self-assessment system.

Real Estate Investment Risk Management

Real estate investment risk refers to the risk of reduced returns caused by such factors as rent fluctuation as well as losses incurred when real estate values decline due to market deterioration and other factors. Our approach to managing real estate investment risk involves the rigorous examination of each investment by the Credit Department, which is

independent of the department actually handling the investment. We also adhere to a system involving warning levels for investment returns and prices. This enables us to appropriately focus management efforts on properties with low profitability.

Portfolio: Holdings of various investment assets under management, including stocks, bonds and loans.

● Measuring and Managing Market Value-at-Risk

To control the market risk of our overall portfolio, we use statistical analysis to reasonably calculate market value-at-risk for our entire portfolio and conduct appropriate asset allocation within the level of allowed risk.

Market Value-at-Risk: The assumed maximum amount of potential risk due to changes in the external environment, calculated from historical data.

examine each transaction rigorously, set terms appropriate to the level of credit risk involved and conduct thorough analyses to accurately evaluate every facet of overall portfolio risk.

● Managing Credit Risk in the Portfolio as a Whole

The Company calculates the magnitude of credit risk as credit value at risk using Monte Carlo simulations. We incorporate the results into our management strategy for the credit portfolio to maintain the magnitude of risk within acceptable limits.

Monte Carlo Simulation: This is a comprehensive calculation method used to estimate the magnitude of possible portfolio losses by running simulations based on random numbers, yielding a calculation of value at risk.

Credit Value at Risk: Calculated from historical data, this is the maximum loss amount that the portfolio could incur due to the deterioration of the financial position of a borrower and other factors.

Operational Risk Management

Operational risk refers to the risk of causing problems for our customers or incurring Company losses as a result of administrative error, other untoward action or malfeasance on the part of directors, employees and insurance solicitors.

To control operational risk, we are taking steps to clearly understand such risk across the Company by gathering and analyzing information on instances of administrative error based on customer complaints as well as instances of erroneous handling. Based on this, we are formulating measures to avoid the recurrence of such instances and confirming the effec-

tiveness of steps taken.

Thinking from the perspective of a customer, we also provide administrative training and guidelines to support the accurate and swift processing of administrative tasks. At the same time, headquarters' auditing departments and branches carry out multi-tiered inspections to ensure the accuracy of administrative processes and to guide the implementation of improvement measures. Through these measures, we are working to inhibit operational risks.

Computer System Risk Management

Computer system risk refers to the risk of losses from computer system defects, faulty computer system operation and illicit use. To deal with the risk of computer system failure, we have developed Companywide contingency plans to enable quick emergency response. In addition, we have established backup centers at locations other than that of our main computer center to prepare for area-wide disasters.

We have also implemented a wide variety of security measures to deal with potential defects, faulty computer system operation, illicit use and data leaks.

We are committed to reducing risks Companywide through compliance with our own safety standards for the planning, development and operation of computer systems, and supervising appropriate use of the systems.

Nippon Life Natural Disaster Countermeasures

Nippon Life is preparing against disasters by carrying out routine inspections of disaster response training and its stockpiles of goods in case of natural disaster. In addition, Nippon Life is striving to build systems for providing customers with services that give them peace of mind by establishing a Business Continuity Plan (BCP) in the event of an outbreak of a new strain of influenza or the occurrence of a major earthquake.

In response to the Great East Japan Earthquake, Nippon Life immediately set up a Disaster Response Headquarters led by the President, and rapidly implemented the following measures:

- Confirmed the safety of employees and other staff and the extent of damage to sales offices;
- Ran advertisements expressing a message of sympathy; and,
- Delivered emergency relief supplies to the affected regions.

STRENGTHENING THE UNDERWRITING AND INSURANCE CLAIMS AND BENEFITS SETTLEMENT SYSTEM AND EXPANDING EXPLANATION

To provide the proper payment of claims and benefits and to gain the trust of customers, Nippon Life makes every effort to ensure the fair and appropriate assessment of policy underwriting, insurance claims and benefits settlements.

- When underwriting policies, assessments are based upon the health of the insured person. In some cases, Nippon Life secures the agreement of the applicant regarding particular conditions (higher premiums, lower coverage, exclusion of certain areas of the body from coverage, etc.) and underwrites policies under terms and conditions different from those in the original application. In some cases, Nippon Life refuses to underwrite policies.
- When insurance claims and benefits are paid, assessments are made based on the details presented in the claim at the time it is submitted. Payment may be refused depending on the findings of the assessment. (See p. 59.)
 - In light of requirements for the appropriate assessment of various medical and moral risks, Nippon Life is stepping up its training of assessment specialists and strengthening administrative systems.

Enhancing the Training of Assessment Specialists

Nippon Life has introduced a structured training system for developing assessment specialists responsible for policy underwriting and insurance claims. It also conducts in-house examinations and provides training in essential medical and legal knowledge. Furthermore, we added underwriting as one of our business goal courses for employees from the fiscal year ended March 31, 2008 as we work to develop personnel that have highly specialized skills.

A total of 1,504 employees passed the Life Insurance Payment Specialist examination offered by the Life Insurance Association of Japan, held in October 2010, bringing the cumulative total of those who have passed the exam to 4,055.

Upgrading Administrative Systems (See p. 65.)

In May 2010, Nippon Life's Payment Underwriting System entered operation in order to reinforce payment operations. This follows a series of measures to enable the unification and sharing of systems concerning payments since fiscal 2006.

At present, we are moving forward with the development of the New

Integrated System, a process that involves a drastic overhaul of our existing main system and covers all areas and processes pertaining to customer service, from proposing and underwriting an insurance policy to receiving insurance claims and benefits. Our goal is to have the system operational by 2012.

Better Explanations for Customers (See p. 83.)

To ensure that policyholders receive all claim and benefits payments they are entitled to, Nippon Life has prepared booklets called *About the Receipt of Insurance Claims and Benefits* and *Guidance for Full Usage of Policies*. We have also prepared materials that allow customers themselves to confirm that nothing has been overlooked during the claim and benefit payment application process and again when the payment is received. Through these services, we provide better explanations to our customers.

These activities demonstrate how we are doing what is needed to give customers full explanations.

Nippon Life has a consultation counter for the receipt of payments of insurance claims and benefits by customers. The consultation counter allows customers to check decisions regarding the payment of insurance claims and benefits.

Strengthening Medical Research and Development

The Medical Research and Development Office analyzes previously compiled medical data and the latest research in the medical and nursing care fields while working to develop new products suited to customer needs and reviewing our underwriting standards.

Payments of Insurance Claims and Benefits

Life insurance is a system in which a large number of people participate in mutual support through insurance coverage in the event of sickness, injury or other unforeseen circumstances.

During the fiscal year ended March 31, 2011, Nippon Life made 71,132 payments of insurance claims and 1,291,805 payments of other benefits.

In contrast, as a result of appropriate benefit settlement assessment efforts, we determined that the payment of insurance claims should not be made in 3,836 cases and that the payment of other benefits should not be made in 42,248 cases.

[Number of Payments of Insurance Claims and Benefits, Payments Denied and Reasons—Fiscal year ended March 31, 2011]

(Unit: Number of cases)

	Insurance claims					Other Benefits						Total
	Mortality	Accident	Serious disability	Others	Total	Mortality	Hospitalization	Surgery	Disability	Others	Total	
Cancellation or invalidation due to fraud	0	0	0	0	0	0	0	0	0	0	0	0
Invalidation due to illegal acquisition	0	0	0	0	0	0	0	0	0	0	0	0
Cancellation of policies due to nondisclosure	112	0	4	5	121	2	650	424	0	27	1,103	1,224
Cancellation due to serious matters	3	0	1	0	4	0	0	0	0	0	0	4
Categorized as an exemption	275	80	3	0	358	92	351	90	1	13	547	905
Not categorized as a reason for payment	23	212	1,037	2,081	3,353	18	3,112	35,947	461	1,060	40,598	43,951
Others	0	0	0	0	0	0	0	0	0	0	0	0
Total payments denied	413	292	1,045	2,086	3,836	112	4,113	36,461	462	1,100	42,248	46,084
Total payments made	53,911	1,000	2,740	13,481	71,132	8,619	626,648	416,062	1,400	239,076	1,291,805	1,362,937

- Notes: 1. The above represent the total for individual and group insurance policies upon which claims were filed.
2. Figures do not include policies that require no payment assessment, such as maturity benefits, survival benefits, single payments, annuities and other benefits.
3. The number of payments denied does not include applications for events that are obviously not covered, such as claims for which the number of hospitalization days is less than the minimum prescribed in the policy terms and conditions, and no special payment investigation was performed as a result.
4. Regarding payments for group insurance underwritten by multiple companies, the figures include policies for which Nippon Life is the lead underwriter. In addition, the amount paid is calculated based upon the percentage of policies underwritten by Nippon Life, irrespective of whether or not it is lead underwriter.
5. Figures in the above table are based on standards of The Life Insurance Association of Japan.

[Reasons and Details for Denial of Payment]

Reasons and Details for Denial of Payment	Content
Cancellation or invalidation due to fraud	Policies are rendered invalid in the event that fraudulent actions were taken by the policyholder or by the insured at the time when the policy was taken out. In such cases, premiums that have already been paid shall not be returned.
Invalidation due to illegal acquisition	If a customer enrolls in an insurance policy with the intention of illegally gaining insurance claims, said insurance policy could be invalidated. In such case, insurance premiums already paid shall not be returned.
Cancellation of policies due to nondisclosure	Policies may be cancelled in the event that the policyholder or the insured neglected to disclose important information that should have been disclosed, or disclosed false information at the time when the policy was taken out, whether intentionally or by gross negligence. In such cases, surrender benefits shall be returned to the policyholder.
Cancellation due to serious matters	After enrollment, policies shall be cancelled in the event that accidents are caused intentionally for the purpose of fraudulently obtaining insurance claims, or in the event of fraudulent acts, such as falsification of medical certificates to support a request of payment. In such cases, surrender benefits shall be returned to the policyholder.
Categorized as an exemption	Nippon Life may determine that the content of a claim falls in the category of an exemption under the terms and conditions of the policy. Examples: <ul style="list-style-type: none"> • A claim for mortality insurance claims following a suicide by the insured during the prescribed non-payment period. • A claim for mortality insurance claims following an accident caused intentionally by the policyholder or beneficiary or following an accident caused by the insured person's criminal activities.
Not categorized as a reason for payment	Nippon Life may determine that a claim does not qualify as a reason for payment under the terms and conditions of the policy. Example: <ul style="list-style-type: none"> • A claim for serious disability insurance benefits for a disability that is not categorized as a specific requirement as stipulated in the terms and conditions of the policies.

Solicitation Policy

Always taking a customer-first perspective, Nippon Life believes that the provision of insurance is important and so it works hard to ensure that customers select the insurance most appropriate for them while taking into account the total needs of the customer. Accordingly, the Nippon Life Solicitation Policy sets forth the Company's approach to the sales

of insurance and other financial products. Included in this approach is ensuring that our solicitation activities are appropriate, which we achieve through the education and training of all employees and executives, the proper handling of customer information and responsiveness to a variety of customer feedback.

Further Advancing Our Customer-First Perspective—Nippon Life's Solicitation Policy

We sell insurance and other financial products in compliance with all laws, including the Insurance Business Act, Financial Instruments and Exchange Act, Sales of Financial Products Law, the Consumer Contracts Law and other laws and ordinances. The following is the policy under which sales are conducted and was created with the idea that customers come first.

<Sales and Appropriate Solicitation based on Customer Needs>

- Comprehensively taking into account customers' knowledge of insurance and other financial products, their purpose for purchasing the policies, their family situation and their asset status, we constantly carry out consultative sales so that customers choose the most appropriate insurance and other financial products while explaining products from the customer standpoint.
- Nippon Life uses policy guides and Reminders to explain policies in an easy-to-understand manner so that customers fully understand the content of insurance products and how they work, and takes steps to confirm that the products match the needs of customers using the Plan Confirmation Document.
- In particular, for such products as variable annuities, foreign currency denominated insurance and investment trusts that entail market risk, we recommend those considered most appropriate for each customer's age, knowledge and investment experience while giving appropriate explanations regarding products and their risks.

- When explaining products over the phone or during customer visits, we take a customer perspective while giving sufficient consideration to time, place and other factors.
- We are striving to eliminate moral risk and ensure that proper notification is received from customers so that we treat all policyholders impartially and operate a morally sound insurance system. In particular, when underwriting life insurance policies that insure juveniles, we strive for proper solicitation by ensuring that the customers' needs are met once proper insurance coverage amounts have been established.

<Appropriate Solicitation Activities through Education and Training>

Moreover, we are striving to ensure that our solicitation activities are appropriate by educating, managing and instructing all employees and executives through a systematic training program that includes compliance-related training.

<Proper Handling of Customer Information>

Nippon Life takes steps to properly manage, use and protect customer information.

<Responding to Customer Feedback>

Nippon Life is constantly gathering a wide range of opinions and suggestions from customers so that it can act on this feedback to increase customer satisfaction.

Educating Nissay Total Partners (Sales Representatives) and Reinforcing Principles

Nippon Life conducts training programs that provide the knowledge and skills needed by Nissay Total Partners (sales representatives) and sales agencies to offer product proposals that are attuned to the needs of customers.

Nippon Life considers it very important that customers enroll in policies only after they have understood the content of the policy. Sales representatives thoroughly confirm the needs of customers by taking time to explain key points using Policy Guides (prospectuses) and Reminders, and through the use of Plan Confirmation Documents. (See p. 78.)

These rules are thoroughly reinforced through compliance education, etiquette training and practical hands-on training in life and non-life insurance.

Nippon Life has the following training programs concerning compliance with laws, regulations and other guidelines.

- The importance of compliance
- Knowledge about applicable laws and regulations (Insurance Business Act, Consumer Contract Law, Sales of Financial Products Law, Financial Instruments and Exchange Act, Personal Information Protection Law, Insurance Act, and others)
- Sales activities that comply with laws and regulations
- After-sales services for payments of insurance claims and benefits
- Proper handling of customer information, etc.

Efforts Related to the Protection of Personal Information

Nippon life is entrusted with the personal information of a large number of individual insurance policyholders as well as sensitive information related to customers' health conditions. Customer information is the foundation of insurance policy transactions, and, therefore, Nippon Life protects these customers' information assets carefully, recognizing that the handling of this information is an extremely important issue. Nippon

Life has established a Personal Information Protection Policy. At the same time, we have implemented measures such as conducting employee training on the protection of personal information, along with improving our information security system infrastructure, starting with the handheld devices of sales representatives. Moving forward, we will continue to provide even more thorough and stronger protection of personal information.

Personal Information Protection Policy (Handling a Customer's Personal Information)

Nippon Life Insurance Company

We have established policies regarding the handling of personal information and are working to properly manage, use and protect customer information in order to be a company that customers can trust. In

order to realize appropriate protection of personal information, we continue to maintain and improve this policy.

1. Information Collection

Customers' personal information is collected to the extent required to conduct business, specifically, to underwrite various insurance policies, continue and maintain management, and handle payments, such as for insurance claims and benefits.

2. Types of Information Collected

We collect information necessary to the conduct of business, underwrite various insurance policies, conduct continuation and maintenance management, and handle payments such as insurance claims and benefits. This information primarily includes a customer's address, name, date of birth, state of health and occupation. Furthermore, for other types of products and services we offer, customers provide additional information necessary to conduct business.

3. Information Collection Method

We collect customer information using legal and impartial methods. The information is mainly collected through policy applications, contracts and surveys. Furthermore, there are times when information is gathered over the Internet and through postcard surveys/mailings when conducting various activities including campaigns.

4. Purposes of Using a Customer's Personal Information

A customer's information is used in the following:

- (1) Underwriting various insurance policies, conducting continuation and maintenance management and handling various types of payments, such as insurance claims and benefits
- (2) Explaining and providing various products and services, including those of related and affiliated companies and conducting policy maintenance management
- (3) Providing information concerning our business, managing our operations and expanding our lineup of products and services
- (4) Other insurance-related business

The purposes of these uses are given in our Personal Information Protection Policy, which is available through our website, *Disclosure Report* and elsewhere. Furthermore, when personal information is collected directly from customers, the purpose of the use to which it will be put is clearly explained to the customer at that time.

5. Information Management

In order to guarantee that a customer's personal information is up to date and correct, we take the appropriate steps necessary to conduct business. Furthermore, we implement measures deemed necessary and appropriate for the safe management of a customer's personal information in order to prevent its inappropriate access, leakage, loss or destruction.

6. Provision of Information

As a general rule, we do not provide a customer's personal information to third parties without receiving consent from the customer. However, in the following situations, we will provide customer information to third parties without customer consent:

- (1) When prior approval from the customer has been obtained
- (2) When the provision of a customer's personal information to a third party without customer consent is permitted by Article 23, Clause 1 of the Law Related to Personal Information Protection (Personal Information Protection Law) or other laws and regulations
- (3) When the provision of a customer's personal information to firms that Nippon Life has outsourced work to is necessary to Nippon Life's continued business
- (4) When sharing a customer's personal information as stipulated by the Personal Information Protection Law
- (5) In other cases where the Personal Information Protection Law permits the provision of a customer's personal information without customer consent

7. Disclosure, Revision or Other Processing of Information

In the event that a customer requests that their own personal information be disclosed, revised or otherwise processed, we will respond to the request promptly after confirming the individual's identity, unless there is special reason not to do so.

8. Compliance with Related Laws and Regulations

Regarding customers' personal information, we conduct business in a manner that adheres to all aspects, such as definition, attitude and handling, of the Personal Information Protection Law, all other related laws, regulations and guidelines, and the Life Insurance Association of Japan's guidelines on handling personal information protection for the life insurance industry.

9. Establishment of and Improvements to the Compliance Program

In order to guarantee that customers' personal information is being handled appropriately, a compliance program was established that all our employees, the firms to which we have outsourced work and other related parties have been made thoroughly aware of, and we conduct necessary and appropriate supervision. Furthermore, we review and revise the policy and the compliance program when necessary.

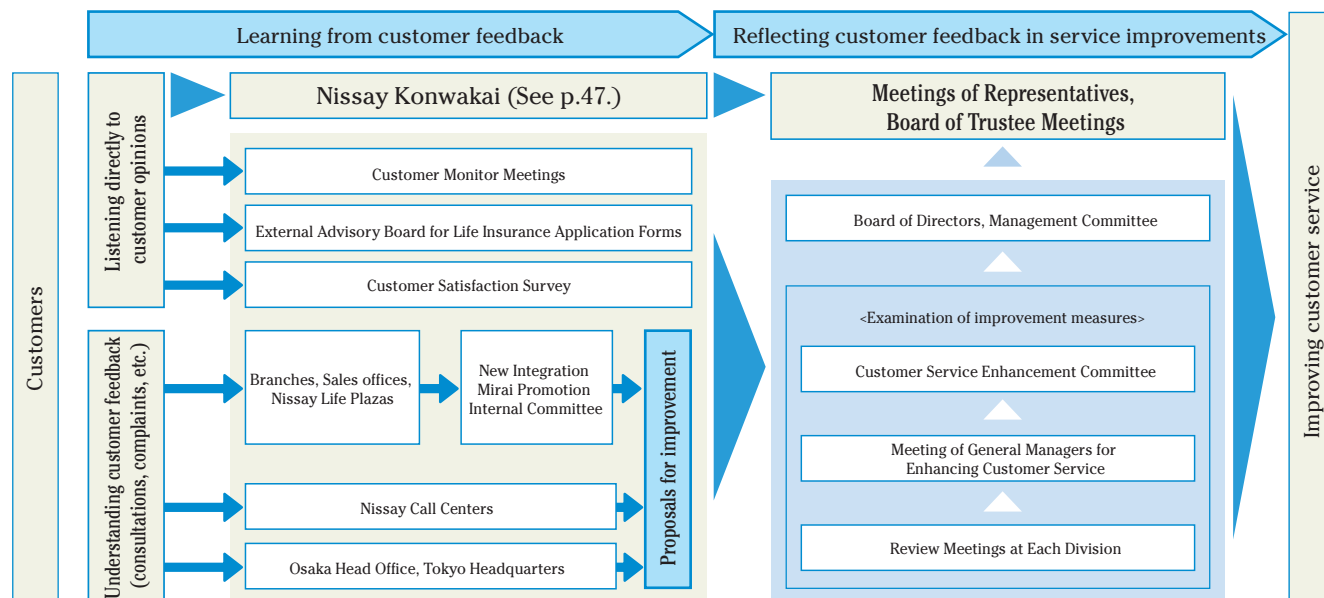
10. Customer Requests Regarding Personal Information

Customer requests regarding the handling of their personal information are received at the personal information counter and processed in an appropriate and efficient manner.

MEASURES TO REFLECT CUSTOMER FEEDBACK IN BUSINESS

Nippon Life treats such customer feedback as opinions, requests and complaints received from customers through Nissay Total Partners (sales representatives), Nissay Life Plazas, call centers and other channels as a precious resource for improving services. Nippon Life is taking steps to improve management and service from a customer point of view based on each and every bit of feedback received from customers.

Every year, we hold Nissay Konwakai at branches throughout Japan. Attended by members of the Meeting of Representatives and directors, these are meetings that serve as forums for directly hearing a broad sampling of customer feedback and requests. In addition, we actively seek out customer feedback through Customer Monitor Meetings and meetings of the External Advisory Board for Life Insurance Application Forms where we directly solicit the advice of both consumers and outside professionals about a variety of customer services.



Improvement Measures Based upon Customer Feedback

Customer feedback received every month through branches, Nissay Life Plazas, Nissay call centers and other means that could contribute to administrative, system and customer form improvements are reported on by non-sales personnel to Osaka Head Office and Tokyo Headquarters and, based on the report, the Customer Service Enhancement Committee makes administrative and service improvements.

[Proposals Made Internally Based on Customer Feedback] (Fiscal year ended March 31, 2011)

(Unit: Number of cases)

Branches, Sales Offices and Nissay Life Plazas	4,022
Osaka Head Office, Tokyo Headquarters	250
Total	4,272

Customer Monitor Meetings

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

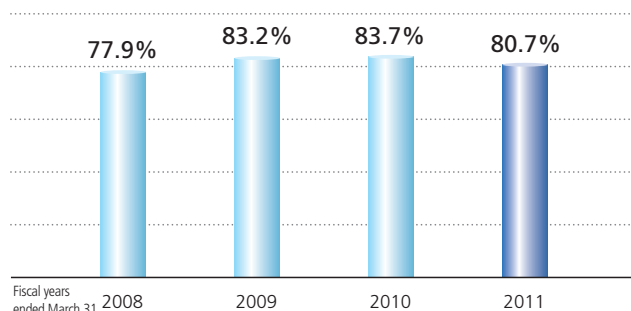
The External Advisory Board for Life Insurance Application Forms

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

Customer Satisfaction Survey

Through outside institutes, annual surveys are mailed out to policyholders, who provide appraisals and opinions regarding Nippon Life products, operations and services. In surveys conducted in the fiscal year ended March 31, 2011, Nippon Life received a customer satisfaction score (the ratio of customers who replied “satisfied” or “somewhat satisfied”) of 80.7%.

[Overall Satisfaction as Measured by the Customer Satisfaction Survey]



Survey Overview

- Implemented once per year (from September 14 to October 4 in the fiscal year ended March 31, 2011)
- Survey target: Nearly 40,000 existing policyholders
- Usable answers received from approximately 10,000 policyholders
- Specific survey questions
 - Responsiveness of sales representatives
 - Currently held policies
 - Application procedures for new policies
 - Procedures after enrolling in policies
 - Reliability of Nippon Life, etc.
- The ratings for indicating level of customer satisfaction were “satisfied,” “somewhat satisfied,” “somewhat dissatisfied” and “dissatisfied” with regard to the level of customer satisfaction.

Number of Customer Complaints

Nippon Life has defined a complaint as “an expression of dissatisfaction by a customer (regardless of factuality).” The purpose of setting this definition is to help us better understand customer feedback and dissatisfaction, with the ultimate aim of utilizing this information in business improvement measures. We work to swiftly resolve customer complaints; for each case, precipitating causes are analyzed, countermeasures are reviewed and steps are taken to prevent a recurrence.

To enhance management transparency, in the fiscal year ended March 31, 2006, Nippon Life began disclosing the number of complaints received from customers. From the fiscal year ended March 31, 2007, we began disclosing the number on a quarterly basis.

[Number of Complaints Received from Customers in the Fiscal Year Ended March 31, 2011]

(Unit: Number of cases)

Content	Number	% of total	Primary Examples
New policy related (Policy enrollment)	14,855	13.0%	<ul style="list-style-type: none"> • “The application process involves too many documents and they are difficult to understand.” • “I didn’t receive sufficient explanation about policy content.”
Receipt related (Payment of premiums)	14,877	13.1%	<ul style="list-style-type: none"> • “I arranged to change the method used for paying premiums to automatic debit from my bank account but it was too late.”
Maintenance (Procedures after enrollment)	37,427	32.9%	<ul style="list-style-type: none"> • I requested the cancellation of my policy, but my sales representative’s response was slow. • “I want Nippon Life to explain the <i>Zutto Motto Service</i> in more detail.”
Claims and benefits related (Payment of insurance claims and benefits)	17,658	15.5%	<ul style="list-style-type: none"> • “Notices of whether benefits will be paid or not should be made more rapidly.” • “I inquired about how to file a claim for hospitalization benefits but have not been contacted.”
Others	29,098	25.5%	<ul style="list-style-type: none"> • “The sales representative should be more polite.”
Total	113,915	100.0%	

Notes: 1. Nippon Life defines a complaint as “an expression of dissatisfaction by a customer (regardless of factuality).”

2. The above shows the classification and number of complaints at the time they were received.


3. The above is classified based on the standards of the Life Insurance Association of Japan. These standards were partly revised in the fiscal year ended March 31, 2011.

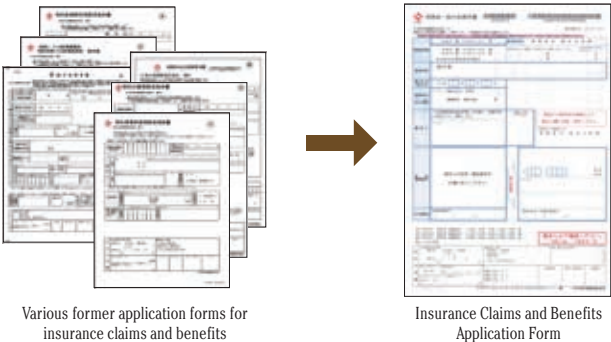
Examples of Improvements Based on Customer Feedback

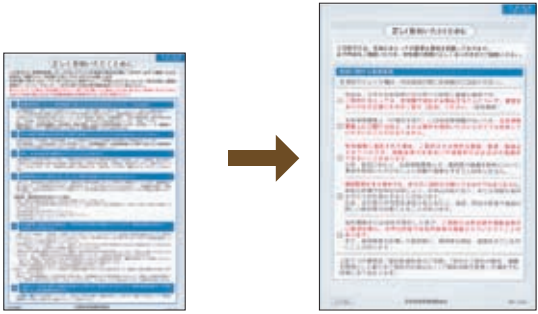
In response to customer feedback gathered at headquarters, Nippon Life formulates countermeasures and works to reflect these measures in its business operations.

In the fiscal year ended March 31, 2011, we implemented 146 improvement measures related to administrative procedures and services.

[Expansion of Easy-to-Understand Administrative Procedures and Services]

Customer Feedback:	I tried to use the Nippon Life website to apply for a policy loan. But I was unsure about how to complete procedures. I want Nippon Life to make its website procedures easier to understand.	
Improvement Made:	<p>We have posted a series of easy-to-understand tutorial videos on our website called “One Minute Lessons on Policyholder Services.” These videos explain a variety of procedures, including how to log in to the policyholders-only website from our homepage and how to make withdrawals and payments for policy loans and other matters on the website. (January 2011)</p>	 <p style="text-align: center;">“One Minute Lessons on Policyholder Services”</p>

Customer Feedback:	I applied for an insurance claim and benefits, but the process was troublesome because there are too many forms to fill out. Can't you reduce the number of forms required?	
Improvement Made:	<p>Previously, separate forms were required to apply simultaneously for living benefit claims, benefits and other payments. However, to ensure that the policyholders can easily submit applications for all payments, we combined six different application forms into a single Insurance Claims and Benefits Application Form. (May 2010)</p>	 <p style="text-align: center;">Various former application forms for insurance claims and benefits</p> <p style="text-align: center;">Insurance Claims and Benefits Application Form</p>

Customer Feedback:	I referred to explanations and samples when filling out a disclosure document to enroll in an insurance policy. However, these materials took a long time to go through because there was so much to read. Can't you make these documents easier to understand?	
Improvement Made:	<p>We revised the content of the explanations that customers refer to when filling out disclosure documents, making them simple and easy to understand. We have also provided a checklist so that customers can easily confirm important items concerning disclosure. In addition, we changed the layout of the sample disclosure document so that customers can check each point in order as they fill out the disclosure document. (July 2010)</p>	 <p style="text-align: center;">Former disclosure document</p> <p style="text-align: center;">Current disclosure document</p>

SYSTEM DEVELOPMENT TO IMPROVE CUSTOMER SERVICE

Strengthening and Enhancing System Support

With the aim of truly gaining the trust of its customers, as a part of the Customer Service Innovation Project, Nippon Life is working to develop a New Integrated System that involves the drastic rebuilding of its core system covering all areas and processes pertaining to customer service, from proposing an insurance policy and underwriting to the payment stage.

We are working to start the operation of the system in 2012, and have been successively strengthening and enhancing system support.

Looking ahead, we will continue our efforts to completely rebuild our current core system infrastructure for administrative control and customer management, focusing primarily on improving customer services.

Development of Payment Underwriting System (May 2010)

Nippon Life has completed development of the Payment Underwriting System. Advantages of the new system for customers include simple and easy procedures, quick and accurate benefit settlement assessments, no overlooked information about submitting claims, and thorough follow-up service following a payment.

This is accomplished by creating a database of medical certificate information including the name of a disease or surgical procedure and other information. Using this information in a digital format allowed us to build a system that can automate benefit settlement assessment decisions.

Introduction of New Handheld Device for Sales Representatives (April 2012)

Nippon Life sales representatives will start using a new handheld device in April 2012. From the standpoint of enhancing customer convenience and giving consideration to the environment, the new handheld device is being developed to greatly simplify many procedures and realize paperless

operations for tasks such as applying for insurance policies and changing various policy details. To reinforce the protection of personal information and other data, there is a security function that allows remotely deleting all data if a device is lost or stolen.

Developing Products that are Easy for Customers to Understand

Nippon Life has developed the *Mirai Support* series (launched in 2008), a product that offers comprehensive coverage with an attached *Comprehensive Medical Rider* that combines the functions of six medical riders into one, as well as *My Medical EX* (launched in 2009), a medical insurance product that provides the coverage of *Comprehensive Medical Rider* on a

stand-alone basis. Following on from these products, Nippon Life will continue to develop products that are easy for customers to understand.

We are conducting a fundamental overhaul of our core systems, with a view to rebuilding our product portfolio based on the dual priorities of simplification and flexibility with respect to the combination of coverage options.

Advancement in System Development

- 1988: • Introduced integrated in-house computer network system to 2,000 sales offices throughout Japan
- 1995: • Introduced satellite communication network to 2,000 sales offices throughout Japan
- 1997: • Created Nissay website (<http://www.nissay.co.jp> (Japanese only)) and introduced online services
- 1999: • Introduced the Nx-2000 System, which uses a client server system infrastructure, to 2,000 sales offices throughout Japan
 - Provided approximately 60,000 sales representatives with mobile terminals for consulting (FPer)
 - Started the Nissay Insurance Accounts service
 - Established a strategic IT subsidiary, Nissay Information Technology Co., Ltd.
- 2000: • Constructed new TS system (life and non-life insurance total service)
- 2001: • Constructed an intranet system
 - Constructed a call center system
- 2002: • Constructed a new real estate system
 - Constructed a new securities management system (NIT X-NET)
- 2004: • Created a Web version of the agency system (A-Net)
- 2005: • Updated a client server system of 1,800 sales offices throughout Japan to a Web-based network (e-System)
 - Provided approximately 50,000 sales representatives with *Duo* mobile terminals for consulting
- 2006: • Constructed the Payment Underwriting System (Phase 1)
- 2007: • Constructed a new call center system
- 2008: • Introduced the P-station mobile payment terminal
- 2009: • Launched Nissay Corporate Internet Service
- 2010: • Constructed the Payment Underwriting System (Phase 2)
 - Launched Online Services for Defined Benefit Corporate Pension Plans

OVERSEAS BUSINESS DEVELOPMENT

From the standpoint of gaining a variety of earnings opportunities and strengthening its core business, Nippon Life has expanded into a total of six countries in Europe, North America and Asia, where it has established 16 subsidiary companies and four representative offices. These subsidiaries and offices are engaged in the fields of insurance, asset management and research. (As of March 31, 2011)

Insurance Business

The global life insurance market, of which a major share has been held by Europe, the United States and Japan, is now seen to be spreading worldwide along with economic growth and increasing populations in Asian and

other newly emerging markets. To make the most of future medium- to long-term earnings opportunities, Nippon Life is expanding its insurance business in the United States, China and Thailand.

Nippon Life Insurance Company of America

Established in December 1991, Nippon Life Insurance Company of America sells insurance products, including group health insurance, to U.S.-based Japanese companies and U.S. corporations through its branches in New York, Los Angeles, Chicago, Atlanta and other cities. Notably, the company has been highly commended by its Japanese corporate clients for its high-quality services centered on customer services offered in Japanese.

The company has achieved steady growth in its business performance mainly by expanding its customer base. In recent years, it began providing insurance products to U.S.-based South Korean firms by launching customer services in Korean based on its expertise and experience.



Nippon Life Insurance Company of America

Nissay-Greatwall Life Insurance Co., Ltd.

Nippon Life entered the Chinese life insurance market through a joint venture, Nissay-SVA Life Insurance Co., Ltd., in September 2003, and has steadily built up business foundations in the Changjiang Delta region spanning Shanghai, Zhejiang Province and Jiangsu Province. In September 2009, the joint venture partner was switched to China Great Wall Asset Management Corporation (CGWAMC), one of China's four major national asset management firms, and the company made a new start as Nissay-Greatwall Life Insurance Co., Ltd. With the opening of a branch office in the Chinese capital Beijing in February 2011, the company has been steadily expanding its business base.

Looking ahead, the company plans to expand its branch network to regions where the strengths of both joint venture partners can be fully demonstrated.



Nissay-Greatwall Life Insurance Co., Ltd.

Bangkok Life Assurance Public Company Limited

Since first acquiring a stake in Bangkok Life Assurance Public Company Limited, one of Thailand's leading life insurance companies, in April 1997, Nippon Life has continued to acquire additional shares to become the largest shareholder of this company, with a shareholding of approximately 25%.

Nippon Life has sent a director to Bangkok Life Assurance along with working-level employees, mainly to provide business support to Japanese companies and expertise in the insurance business. In the fiscal year ended March 31, 2011 insurance premiums increased by roughly 30% from a year earlier, and Bangkok Life Assurance climbed the industry rankings to fourth place. In these ways, the company is achieving steady growth in business performance.

In September 2009, the company listed its shares on the Stock Exchange of Thailand.



Bangkok Life Assurance Public Company Limited

Asset Management

Nippon Life conducts global asset management operations from offices in New York, London and Singapore. Through balanced and diversified investment centered on equities, bonds and other instruments, Nippon Life is

working to secure a wide variety of profit earning opportunities. We are also strengthening our asset management capabilities by acquiring the latest financial techniques from overseas.

Research

Nippon Life gathers a wide range of information from representative offices and a subsidiary in New York, London, Frankfurt, Singapore and Beijing regarding the financial and insurance businesses in these areas. This information is put to use in our business activities.

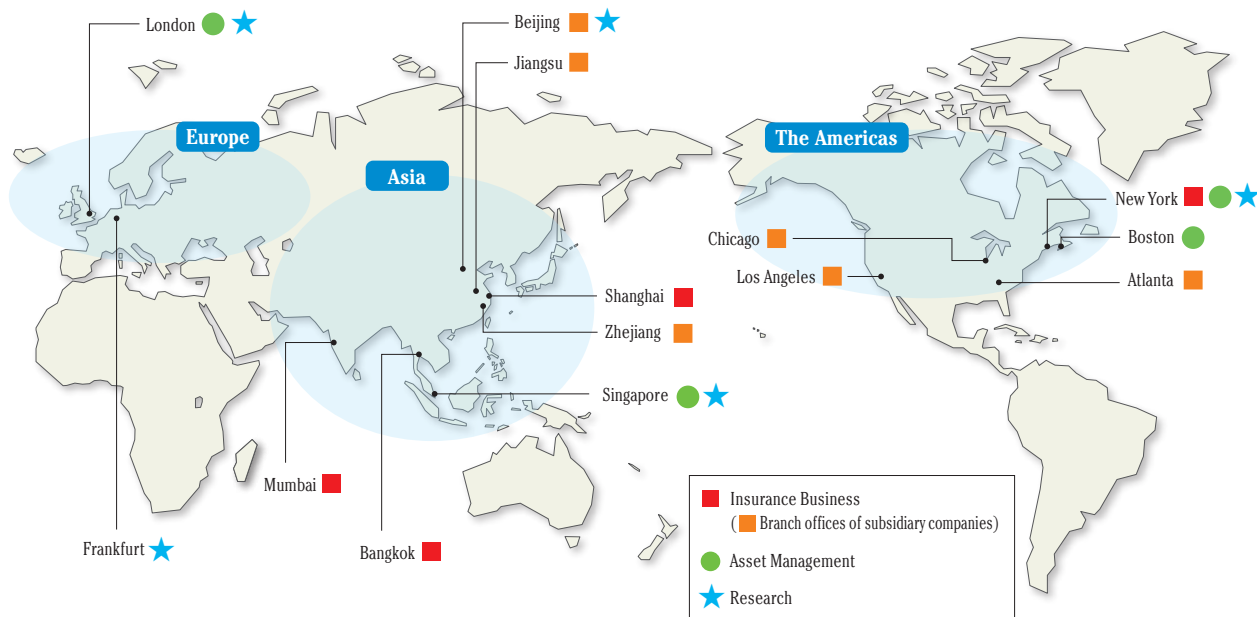


New York Representative Office



London Representative Office

[Global Network]



Europe

[U.K.]

<Asset Management>

- Nissay Schroders Asset Management Europe Limited
- NLI International PLC

<Research>

- ★ London Representative Office

[Germany]

<Research>

- ★ Frankfurt Representative Office

Asia

[China]

<Insurance Business>

- Nissay-Greatwall Life Insurance Co., Ltd.
(Shanghai, Beijing, Zhejiang Province and Jiangsu Province)

<Research>

- ★ Beijing Representative Office

[Singapore]

<Asset Management and Research>

- Nissay Schroders Asset Management Asia Limited
- ★ NLI International Asia Pte. Ltd.

[Thailand]

<Insurance Business>

- Bangkok Life Assurance Public Company Ltd.

[India]

<Insurance Business>

- Reliance Life Insurance Company Limited
(Agreement for purchasing shares reached in March 2011)

The Americas

[U.S.A.]

<Insurance Business>

- Nippon Life Insurance Company of America
(New York, Los Angeles, Chicago, and Atlanta)

<Asset Management>

- NLI International Inc.
- NLI Properties West, Inc.
- PanAgora Asset Management, Inc.

<Research>

- ★ New York Representative Office

CONTRIBUTIONS TO THE ENVIRONMENT, COMMUNITIES AND SOCIETY

Together with five foundations (see p. 71.) established by Nippon Life, we are conducting continuous and stable social contribution activities addressing the “environment,” “child and teenager development,” “culture,” “aging and medicine” and other issues.

Contributions to Environmental Protection

●Planting Forests for Future Generations

In order to replenish the Earth’s forests, which serve as the source of paper that Nippon Life uses, the Friends of Nissay Forests Association started working with the Nissay Green Foundation on forestry projects in 1992. Over the next 19 years, Nissay forests were planted at 184 locations in 43 cities and prefectures and covered approximately 427 hectares. More than 1,280,000 trees have been planted. Nippon Life employees also voluntarily participate in the annual tree planting activities as well as in the clearing of vines and cutting back of undergrowth so that trees planted in previous years can grow.

In addition, we have been cooperating with municipal authorities in active tree planting efforts in parks and reclaimed land areas and have put substantial effort into the upkeep of abandoned agricultural sites.



Tree planting activities at “Nissay Kirishima Forest” (Kagoshima) (Fiscal year ended March 31, 2011)



Tree planting activities at “Nissay Yashiro Fuji Forest” (Hyogo) (Fiscal year ended March 31, 2011)

Details about the Planting Forests for Future Generations Program

- Funds received by the Friends of Nissay Forests Association are used to pay for trees and cover volunteers’ expenses. Volunteers from among Nissay’s employees participate in the tree planting.
- The contributions made by the Nissay Forests Association to the environment are assessed each year by the Forestry Agency.



The Friends of Nissay Forests Association

In an assessment carried out in August 2010 (for the single fiscal year ended March 31, 2010), the program was found to have produced a total economic value of around ¥80 million mainly through the absorption and fixation of CO₂ emissions equivalent to the annual CO₂ emissions of around 4,400 people, and the storage and cleansing of drinking water equivalent to the annual drinking water supply for around 158,000 people.

This is a voluntary organization composed mainly of Nippon Life directors and employees. It raises funds within the Company for planting and nurturing Nissay forests and provides information on environmental protection, among other activities.

●Support for Environment-Related Research

Since 1979, the Nissay Life Foundation has supported Research on the Harmonization of Human Activity and Environmental Protection. The Foundation is also cooperating with college researchers and professionals from government, as well as such organizations as NPOs, with the goal of contributing to the understanding of environmental problems and their solutions. The foundation is passing on a better society through the workshops that it sponsors each year and the publication of research results and other benefits.



25th Environmental Issue Research Grant Workshop

●Activities at Offices

Since 1991, Nippon Life has promoted a reduction in the volume of paper it uses and the recycling of used paper. In 2001, Nissay established its Environmental Charter, implemented additional measures to conserve energy and resources, including the reduction of electricity and water usage, and took proactive steps to thoroughly separate waste, promote green procurement and provide environmental education to employees. Furthermore, we set up a recycling system whereby used paper is taken from our Osaka head offices and Tokyo headquarters and transported to paper mills. Thanks to these efforts, our Osaka head offices and Tokyo headquarters received ISO 14001 certification.



Recycle station (Tokyo Headquarters)

Furthermore, as a measure to reduce CO₂ emissions in the fiscal year ended March 31, 2011, Nippon Life concluded an agreement for the use of “green electricity” in an amount equivalent to approximately 6% of the annual electricity consumption of its Tokyo Headquarters and Osaka Head Offices.

Contributions to Local Communities and Society

Contributions to the Healthy Development of Children and Young People

●Nissay Masterpiece Theater

Created in 1964, the Nissay Masterpiece Theater offers free musical performances for elementary school sixth-graders with the hope of fostering an abundant aesthetic sense and new sensitivity in children, the torchbearers of the next generation. The Nissay Culture Foundation, with our support, sponsors the performances. The shows are created and performed by the Shiki Theatre Company and, over the past 47 years, they have nurtured the dreams of and given inspiration to over 7.3 million children, including approximately 150,000 children in fiscal 2010. Nippon Life is cooperating with the Nissay Culture Foundation as the main sponsor of “Kokoro no Gekijo,” a program started by the Shiki Theatre Company (musical performances by invitation for elementary and junior high school students in cities nationwide; around 370,000 children were invited in fiscal 2010).

●Supporting the Healthy Development of Children and Teenagers

As activities designed to promote the healthy development of children and teenagers, the Nippon Life Foundation has since 1979 helped support governor-recommended private organizations that conduct local childrearing activities and child-focused activities in cooperation with local residents possessing the know-how and materials to conduct such activities. As of the fiscal year ended March 31, 2011, the Foundation had contributed to 11,036 organizations over 32 years.

●Insurance Education Program for Children

• Summer Vacation Insurance Seminar for Elementary School Students

Summer Vacation Insurance Seminars were held at 56 Nissay Life Plazas throughout Japan. About 534 elementary school students and their guardians took part in the seminars, which offered a fun way to find out about how insurance works, and why it is important.

Participants received a comic book called “*The Insurance Secrets*,” which explains insurance in an easy-to-understand manner.



Summer Vacation Insurance Seminar
(Nissay Life Plaza Kashiwa)

●Environmental Education for Children

Nippon Life believes it is important for children to understand about how forests work, and about activities to nurture forests. From fiscal 2010, we started an environmental education program for children.

• Nissay “Forest Seminars”

At 70 Nissay Life Plazas throughout Japan, we held “Forest Seminars” where participants learn how forests work to prevent global warming, preserve water resources, and support living things. 1,441 children and their guardians attended.



Nissay “Forest Seminar”
(Nissay Life Plaza Marunouchi)

[Nissay Masterpiece Theater Shows in Fiscal Year Ended March 31, 2011]

Show Name	47th Season “Children in the Storm”
Number of Children	154,333 (7.3 million cumulative)
Locations	Tokyo, Osaka, Yokohama, Kobe, Nagoya



Fiscal 2010 Nissay Masterpiece Theater
“Children in the Storm”
(Photographer: Atsutoshi Shimozaka)



Takaoka Boys and Girls Inventors Club
(Toyama Prefecture)



DOUSHINKAI
(Oita Prefecture)

• My Plan for the Future for Junior High School Students

“*My Plan for the Future*” is an educational tool for use in schools that encourages students to think about their future goals. Nippon Life has supplied these materials to around 11,000 schools nationwide, of which about 1,500 have responded with a desire to use the materials in lessons. Around 240,000 copies of “*My Plan for the Future*” were delivered for students.

In response to requests from some teachers for information about how other schools had used “*My Plan for the Future*,” we produced an accompanying teachers’ guidebook.



A classroom discussion using
“*My Plan for the Future*” (Fukuoka Prefecture)

• Nissay “Forest Explorers”

In the Nissay “Forest Explorers” program, participants first gain a closer affinity with forests through nature observation and other activities before trying a hands-on experience of the work needed to protect them. The program was held in two locations at Fujinomiya City (Shizuoka Prefecture) and Kato City (Hyogo Prefecture), with 70 children and guardians attending.



Nissay “Forest Explorers”
(Shizuoka Prefecture)

Abundant Cultural Development

●Nissay Theater

The Nissay Theater was created in 1963 to aid in the development of a fulfilling and enriching society through the promotion and expansion of performing arts.

The Nissay Culture Foundation, which operates the Nissay Theater, presents the Nissay Masterpiece Theatre, the Nissay International Family Festival, which provides families with the opportunity to experience the performing arts, and the NISSAY OPERA. The “Opera Clinic for Young People” presents opera performances to junior and high school students. Also, a “Stage Forum” is held using the stage set of the opera clinic.

In 1995, the Nissay Culture Foundation created the Nissay Backstage Awards, given in recognition of outstanding achievements by backstage technicians in support of the performing arts.



Nissay Theater (Tokyo)



Nissay Backstage Awards ceremony

Contributions to the Fields of Aging and Medicine

●Nissay Hospital

The Nissay Hospital in Osaka was founded by the Nippon Life Saiseikai Foundation, and opened in 1931. Now in its 80th year, this general hospital of 18 departments and 350 beds provides high-quality medical care for the local community, trains medical staff as a designated training facility and serves as a cancer diagnosis and treatment center for Osaka. In addition, the Nissay Hospital aims to further contribute to medical care and welfare services for the community by providing comprehensive medical care combining “prevention, treatment, and home nursing care” through the Nissay Preventive Medicine Center, which conducts health check services, and Nissay Visiting-Nurse Station.



Nissay Hospital (Osaka)

●Nissay Eden-no-Sono

Operated by Nissay Seirei Health & Welfare Foundation, Nissay Eden-no-Sono are comprehensive health and welfare facilities (Opened in 1992 in Nara and 1997 in Matsudo) for senior citizens that include such provisions as retirement homes (fee-based), illness prevention centers, general welfare centers and home nursing service centers. Both facilities have been recognized as exemplifying the Ministry of Health, Labour and Welfare’s policy of “Promoting health and longevity in 21st century hometowns.” Through activities firmly rooted in communities, both facilities aim to promote the health and vitality of senior citizens.



Nara Nissay Eden-no-Sono

●Supporting an Aging Society

The Nippon Life Foundation has been supporting Japan’s aging society since 1983 by helping university researchers who conduct practical research and local NPOs that perform cutting-edge work. Furthermore, the Foundation holds symposiums and workshops on supporting an aging society in order to spread information on achievements in these areas.



24th Symposium on Supporting an Aging Society

Contributions to Local Communities and Society through Volunteer Activities

In fiscal 2010, Nippon Life conducted volunteer activities by employees at all branches nationwide. These activities included cleaning up local communities, assisting orphans, sports clinics and other programs. Nippon Life supports these activities by providing financial assistance to cover the costs for running them, and other forms of support.



Cleanup activity (Kitakyushu City)



Baseball training by members of Nippon Life’s baseball club (Tomakomai City)

[Examples of Volunteer Activities in Fiscal Year Ended March 31, 2011]

Examples of Volunteer Activities	Number of Participating Departments	Type of Activity
Community cleanup activities	73	<ul style="list-style-type: none"> Conducted clean-up activities voluntarily in areas near business sites, including local public streets, parks, train stations and beaches. Actively participated in community clean-up activities in cooperation with local governments and the Life Insurance Association of Japan.
Ashinaga P-Walk 10	74	<ul style="list-style-type: none"> Ashinaga P-Walk 10 (a walk-a-thon to assist orphans) held at locations throughout Japan.
Sports clinics	23	<ul style="list-style-type: none"> Nippon Life’s baseball and table tennis clubs collaborate with local branches nationwide to hold sports clinics.

Contributions to the Environment, Local Communities and Society Through Asset Management, Products and Services

Initiatives Through Asset Management

A life insurance company's assets are entrusted by policyholders, and as such are highly social and public in nature. Nippon Life has long conducted asset management based on this understanding, aiming to coexist with communities and society, and achieve stable growth hand in hand with Japan's companies and economy at large.

For example, in financing services, Nippon Life strives to contribute to the development of local industries by lending not only to large corporations, but also to individual customers and small- and medium-sized enterprises throughout Japan. We even have a system for offering preferential

interest terms to support individual and corporate customers who are conducting environmentally friendly projects.

We are also active in real estate investment. Through a broad range of investments in office buildings nationwide, we are contributing to regional development. In these investments, we work to beautify landscapes and blend in with surrounding areas. At the same time, we work to protect the environment by taking opportunities to renew building facilities so as to reduce CO₂ emissions.

[Specific Examples of Initiatives in Asset Management]

Initiatives		Description												
Finance	CSR loans	<ul style="list-style-type: none"> System of preferential long-term interest rates for homebuyers purchasing units with superior energy conservation (from January 2010) (Extension of the system of preferential long-term interest rates for homebuyers purchasing units with solar energy generation systems (from September 2008)) System of preferential loan interest rates for buyers of homes identified as "long-term excellent houses" (from June 2009) System of preferential loan interest rates for companies that support child raising (from October 2008) System of preferential loan interest rates for "eco-friendly" companies (from October 2007) System of preferential loan interest rates for homebuyers purchasing units with superior energy conservation and earthquake protection (from October 2007) 												
Real Estate	Making environmentally-friendly buildings (Awards recently received by Nippon Life Buildings)	<p>[Environment-related Awards Recently Won by Nippon Life Buildings]</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr style="background-color: #E6F2FF;"> <th>Year</th> <th>Building</th> <th>Award</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>Nissay Hibiya Building</td> <td>AAA rating for "Global Warming Countermeasures Plan" under the Tokyo Metropolitan Environmental Security Ordinance</td> </tr> <tr> <td>2007</td> <td>Nissay Marunouchi Building</td> <td>"Environment and Energy Conservation Architecture Award" from the Institute for Building Environment and Energy Conservation</td> </tr> <tr> <td>2006</td> <td>Nissay Yokkaichi Building</td> <td>"Special Award" from Society of Heating, Air-Conditioning and Sanitary Engineers of Japan</td> </tr> </tbody> </table>	Year	Building	Award	2011	Nissay Hibiya Building	AAA rating for "Global Warming Countermeasures Plan" under the Tokyo Metropolitan Environmental Security Ordinance	2007	Nissay Marunouchi Building	"Environment and Energy Conservation Architecture Award" from the Institute for Building Environment and Energy Conservation	2006	Nissay Yokkaichi Building	"Special Award" from Society of Heating, Air-Conditioning and Sanitary Engineers of Japan
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2006	Nissay Yokkaichi Building	"Special Award" from Society of Heating, Air-Conditioning and Sanitary Engineers of Japan												

Initiatives Through *Zutto Motto Service*

From fiscal 2010 policyholders using the *Zutto Motto Service* have had the option to use their "Thanks Mile" points to donate to the following organizations that contribute to society: World Wide Fund for Nature

Japan, the Japan Committee for UNICEF, ASHINAGA, and the Japanese Red Cross Society.

The Following Five Foundations Established by Nippon Life Work Exclusively in Each Field

(As of June 30, 2011)

Name of Foundation	Established	Location	Main Activities	Website
Nippon Life Saiseikai Foundation	July 1924	Osaka	Social welfare work, management of the Nissay Hospital	http://www.nissay-hp.or.jp
Nissay Culture Foundation	Nov. 1973	Tokyo	Hosting theatrical performances for children and general audiences, management and operation of the Nissay Theater	http://www.nissaytheatre.or.jp
Nissay Life Foundation (Nippon Life Foundation)	July 1979	Osaka	Support for businesses and research that contribute to the building of a truly prosperous society filled with humanity and culture	http://www.nihonseimei-zaidan.or.jp
Nissay Seirei Health & Welfare Foundation	July 1989	Osaka	Surveys, research and services related to the aging of the population, and support for the education of qualified nursing care workers	http://www.nissay-seirei.org
Nissay Green Foundation*	July 1993	Tokyo	Protection of forests through tree-planting and nurturing activities	http://www.nissay-midori.jp

*The Nissay Green Foundation became a Public Interest Incorporated Foundation in April 2011.

IMPROVING DISCLOSURE

Nippon Life is working to enhance its various disclosure initiatives in order to better help customers gain a clear and timely understanding of its business information.

Preparation of Disclosure Materials

So that a broad range of customers may view them, Nippon Life disclosure reports are available at the service counters of branches, sales offices and agencies nationwide. In addition, Nippon Life prepares various disclosure materials in response to customer needs.

Disclosure Materials Produced in Fiscal Year Ended March 31, 2011



Nissay Disclosure

Disclosure report produced in accordance with Article 111 of the Insurance Business Act (in Japanese) [Available at all service counters throughout Japan]



NISSAY NOW

Nissay disclosure, digest version (in Japanese)



Nissay Disclosure

Disclosure report for semiannual version (in Japanese)



Annual Report

(in English)



NISSAY 2010

Pamphlet that provides business information (in Japanese)



Variable Amount Insurance (Separate Account) Results Notification

Results report for individual variable amount insurance policyholders*1 (in Japanese)



Variable Amount Annuities (Separate Account) Results Notification

Results report for variable amount annuities policyholders*2 (in Japanese)



Results Report for Group Annuities

Results report material for policyholders of group annuities (defined benefit corporate pension plans, welfare pension fund insurance, etc)*3



Nippon Life, a Financial Organization

Material related to the asset management business and results for corporate customers (in Japanese)

*1 Information on individual variable amount insurance investments can be obtained at the head office, branch and Life Plaza service counters.

*2 For the latest performance summary of the variable annuities (separate account), please see the Nippon Life investment annuity page of the Nippon Life website.

*3 A quarterly disclosure magazine is issued to all policyholders of group annuities (separate account).

Information Provided on the Website

Nippon Life issues timely information on its website. In addition to press releases, minutes and outlines of resolutions presented at the Meeting of Representatives, visitors can find material about the history of Nippon Life and its CSR activities. Some disclosure materials including financial results are also available for viewing or download.

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



Nippon Life website

Financial Results Meetings

We hold financial results meetings for analysts and institutional investors twice a year. Also during these meetings, we report on management policies as well as the strategies of each division in order to promote the greater

➔ <http://www.nissay.co.jp/kaisha/annai/gyoseki/setsumei.html> (Japanese only)

understanding of our operations. Materials from meetings are posted and available on the Nippon Life website after the meetings are held.