

## Strengthening Financial Soundness and Profitability

# Using Equity to Fund Strategic Investments Overseas and Building a Global Network

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

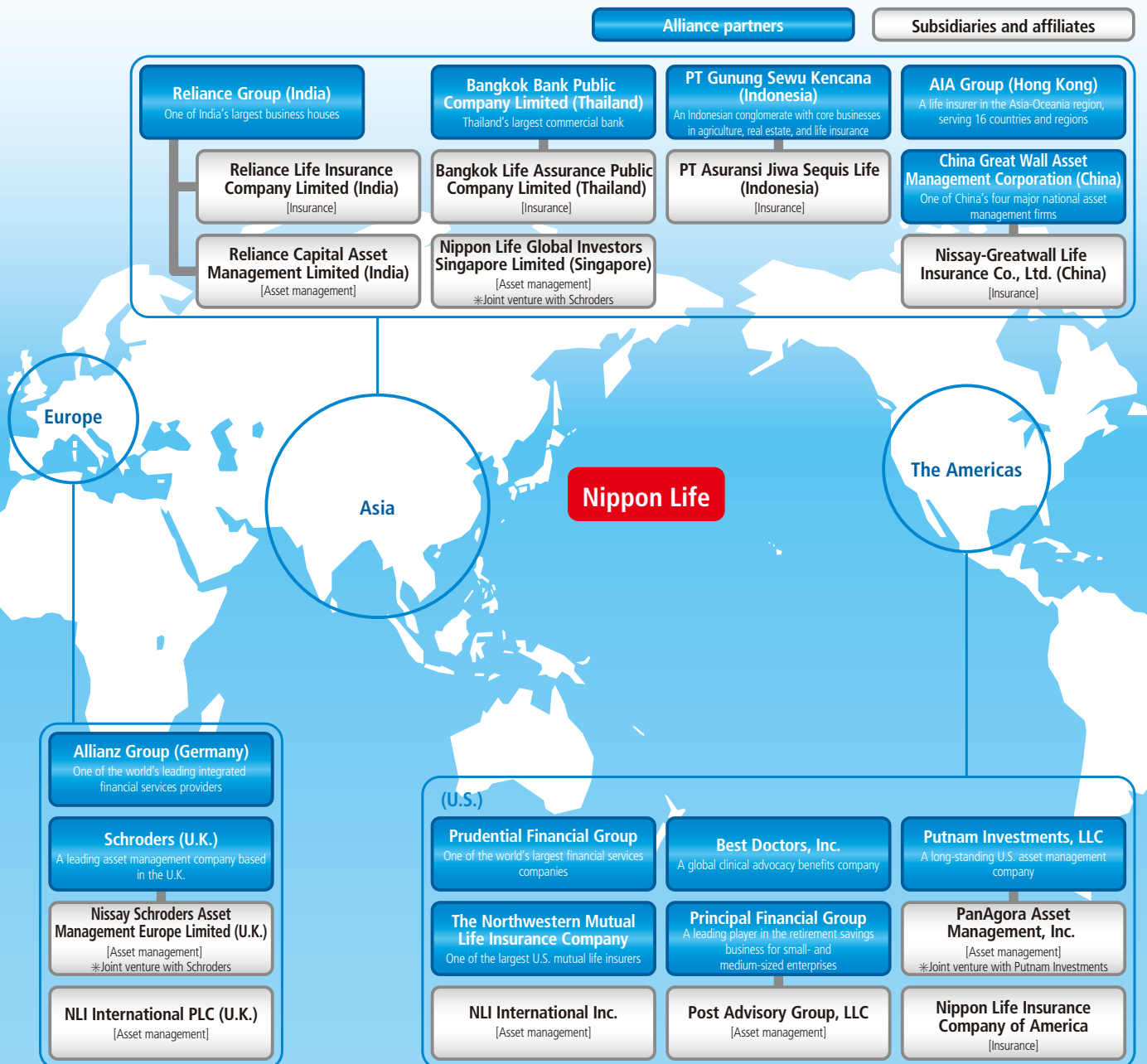
Specifically we make overseas investments based on alliances and other relationships that can make our core life insurance operations even stronger. Overseas insurance operations and overseas asset management operations are also areas where we make strategic investments. By making these investments, we are building our global network with prominent companies in Europe, the U.S. and Asia.

Recent activities include investments in the Allianz Group of Germany (Allianz Financial II B.V.), Reliance Capital Asset Management Limited of

India, and AIA Group Limited of Hong Kong and, Post Advisory Group, LLC of the U.S.

We are building a global network aiming at implementing initiatives in these insurance markets and improving investment returns, and also at gaining access to advanced expertise in the fields of asset management and insurance. As a result, increasing profitability from these strategic investments will allow us to further increase policyholder interest and create a virtuous cycle in which the returns on these investments lead to more growth in equity.

## Nippon Life's Global Network



## Major Strategic Investments Overseas

### Prudential Financial Group (U.S.)

In September 2009, Nippon Life purchased exchangeable surplus notes issued by The Prudential Insurance Company of America, a U.S. insurance subsidiary of Prudential Financial, Inc. (Prudential), one of the world's largest financial service companies (the investment totaled approximately ¥46 billion).

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

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



### Best Doctors, Inc. (U.S.)

Nippon Life invested a total of approximately ¥1.9 billion in March and August 2011 in Best Doctors, Inc. This company provides the Best Doctors® Service for helping individuals locate specialists.

We will work with the company to offer more services that are useful for our customers.

\*For more information on the service, please see p. 77.

### Allianz Group (Germany)

In July 2011, Nippon Life purchased convertible subordinated notes issued by Allianz Financial II B.V., a finance subsidiary wholly owned by Allianz SE (Allianz), one of the world's leading integrated financial services providers. Nippon Life and Allianz have a broad relationship spanning top management to the working level, reflecting the two companies' shared values and

beliefs in the life insurance business.

\*In regard to the convertible subordinated notes, Nippon Life has the option to exercise its exchange right to receive common stock issued by Allianz any time within 10 years after issuance of the notes. In addition, under certain conditions, the notes will be automatically converted into common stock of Allianz within 10 years after issuance.

### Reliance Group (India)

In September 2011, Nippon Life signed a Memorandum of Understanding (MOU) on a business alliance with Reliance Capital Limited, a financial services company in the Reliance Group, one of the largest business houses in India.

In October 2011, Nippon Life invested in Reliance Life Insurance Company Limited (Reliance Life), a life insurance subsidiary of Reliance Capital. Nippon Life purchased 26% of the common shares of Reliance Life. In addition, in August 2012, Nippon Life completed the purchase of 26% of the common shares of Reliance Capital Asset Management, an asset management subsidiary of Reliance Capital.



Left: Mr. Tsutsui, president of Nippon Life  
Right: Mr. Ambani, chairman of Reliance Capital

### AIA Group (Hong Kong)

In March 2012, Nippon Life signed an MOU on a business alliance with AIA Group Limited (AIA), one of the largest life insurers in the Asia-Pacific region. Nippon Life had established a close working relationship with AIA, including interaction at the top management level. These ties reflect the two companies' shared principles and values in the life insurance business, for example,

as regards AIA's core sales agent channel.

Nippon Life has also purchased ordinary shares of AIA with the objective of building a stronger relationship between the two companies, while capturing growth opportunities across Asia-Pacific life insurance markets.

### Principal Financial Group (U.S.)

In May 2013, Nippon Life purchased 20% of the equity of Post Advisory Group, LLC, which is owned by Principal Global Investors, LLC, a leading U.S. asset management firm.

Nippon Life is a major shareholder of the Principal Financial Group, which is the parent company of Principal Global Investors. We will continue to work with these companies in various business sectors including asset management.



Left: Mr. Tsutsui, president of Nippon Life  
Right: Mr. McCaughan, CEO of Principal Global Investors

### PT Asuransi Jiwa Sequis Life (Indonesia)

In May 2014, we reached an agreement with Indonesian company PT Gunung Sewu Kencana (GSK) on investing in its life insurance subsidiary PT Asuransi Jiwa Sequis Life. (We plan to acquire an effective holding of 20% through the holding company and other means).

Sequis Life has won strong brand recognition through its high quality services centered on the sales agent channel, as well as its sound financial status. Looking ahead, we will provide Sequis Life with our experience and knowhow to achieve mutual long-term growth together.



Left: Mr. Angkosubroto, Chairman of PT Gunung Sewu Kencana  
Right: Mr. Tsutsui, president of Nippon Life