

Top Message

Learning What is Closest to the Hearts Our Customers and Supporting Them as

—Stay Closest to “Your Thoughts for Beloved Ones”—

Looking Back on the Future Creation Project

When I was appointed president, we set out an objective for all Nippon Life employees: to make Nippon Life a company of excellence in “scale,” “quality,” and “credibility.” Our goal was to make a company capable of constantly earning the trust of customers.

In fiscal 2012, we embarked on a three-year management plan called the “Future Creation Project.” The plan embodied our aspiration to create a future together with customers where they can feel secure, by providing new comprehensive insurance services.

Our objective under the plan was to “return to growth,” by focusing on three main themes: 1) increasing

new policy sales, 2) building a stronger base for financial soundness and profitability, and 3) developing human resources.

Looking back at our three-year progress on the four management goals of the Future Creation Project, first, in “securing the No. 1 share of new policies,” our annualized premiums were No. 2 only in fiscal 2014, but in numbers of policies and amounts of coverage, we were No. 1 throughout the three years of the plan.

Next, in the goal of “restoring growth in the number of policies in force,” we restored growth in fiscal 2012 and continued to secure net increases for

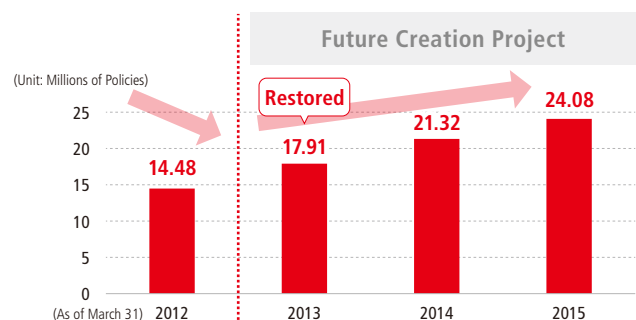
Achievement of Management Goals for the Future Creation Project

Securing the No.1 Share of New Policies ▶ **Achieved in FY2012 and FY2013**

	Future Creation Project			
	FY2011	FY2012	FY2013	FY2014
No. of policies	—	No. 1	No. 1	No. 1
Amounts of coverage	No. 1	No. 1	No. 1	No. 1
Annualized premiums	No. 2	No. 1	No. 1	No. 2

* Calculated by Nippon Life using the financial reports of other insurance companies (except Japan Post Insurance Co., Ltd.).

Restore Growth in the Number of Policies in Force ▶ **Achieved**



of a Faithful Companion



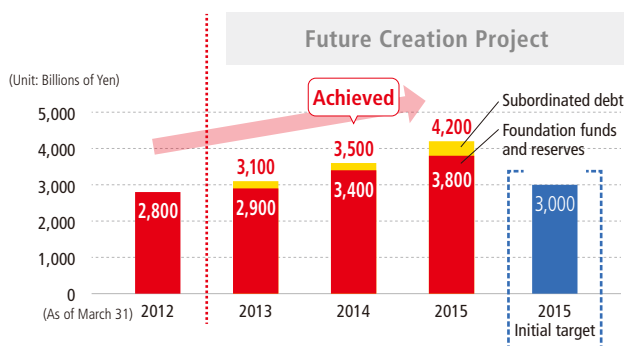
three consecutive years.

Regarding, “restoring foundation funds (*kikin*) and reserves to ¥3,000 billion,” we surpassed the target in fiscal 2014, reaching ¥4,200 billion.

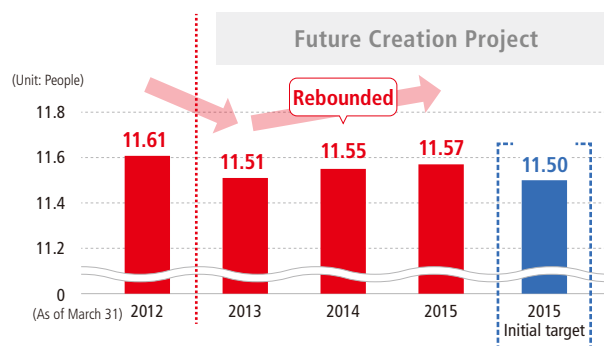
Finally, in policyholder numbers, our most important asset, we achieved our goal of a “return to growth and 11.5 million customers.”

We have thus achieved the initial goals of the Future Creation Project by and large, and I believe that the three years of the plan have yielded the desired “return to growth.”

Restore Foundation Funds (*kikin*) and Reserves to ¥3,000 billion ▶ **Achieved**



Reach 11.5 Million Customers / Rebound ▶ **Achieved**





The New Three-Year Management Plan

Fiscal 2015 is the first year under our New Three-Year Management Plan, which succeeds the Future Creation Project.

Recently, structural population changes have emerged in the domestic market, such as population decline, a falling birthrate, and the aging of society, as well as the concentration of the population in urban areas. At the same time, customer needs have been changing. We have seen trends such as an increase in female policyholders and a decline in the ratio of policyholders among the younger sector, as well as diversification in enrollment channels.

Under the New Three-Year Management Plan, we will address these environmental changes and advance our initiatives from the Future Creation Project even further in order to continue upholding our coverage responsibilities over the long term to all customers. We will strive to build a medium- to long-term foundation for growth with a view to creating the foundation needed ten years from now, and to secure a solid No. 1 status in Japan.

Growth Strategies

■ Expansion of the Domestic Life Insurance Business (Segment Strategy Progression)

Up until now, Nippon Life has focused mainly on the core sales representative channel and developed a segment-based business strategy that involves using the flexibility inherent in the *Mirai no Katachi* concept to enable the provision of protection policies tailored to the needs of individual customers.

Under the New Three-Year Management Plan, we aim to build systems that can cater to more diverse customer requirements with greater precision. We will do this by following our existing action policy and advancing to the next stage, enhancing our product lineup as well as strengthening and diversifying our sales and service channels.

Through these initiatives, our goals under the New Three-Year Management Plan are to secure the top share of the domestic market, generate 6% growth in annualized premiums in force, and grow the customer base to 11.7 million.

(Providing Attractive Products and Services)

In April 2015, we launched a 12th type of insurance in the *Mirai no Katachi* range: *Dread Disease Insurance Coverage with Continuous Support*. This insurance features a reduced emphasis on death coverage and the ability to provide up to five years of support for customers who are hospitalized with one of the three dread diseases. We provide a plan that includes this product, called *Nissay Mirai no Katachi “Five Stars” Plan with Dread Disease Insurance Coverage with Continuous Support*. We will market this new plan broadly, not only to our core customer segment, but also to the younger generation and to female customers.

In June 2015, we launched a limited notification-type medical insurance product called *Medi-A×N*, developed in partnership with AXA Life Insurance Co., Ltd., which we will use to expand our customer base, mainly in the senior segment.

Moreover, in July 2015, we introduced *Long Dream GOLD*, a single-premium whole life insurance policy offering policyholders a choice of accumulation currencies such as Australian dollars to meet their diverse asset formation needs. The product is designed to be marketed through the bancassurance channel.

(Strengthening and Diversification of Sales/ Service Channels)

We are developing a variety of sales and service channels to meet customer needs, with an emphasis on the sales representative channel. These include Nissay Life Plazas for servicing walk-in retail customers, corporate support teams, insurance agencies and financial institutions.

We will equip the sales representative channel to provide detailed service to suit urban and regional areas and characteristics. To ensure that customers receive optimal insurance coverage, we will also improve our consulting abilities a step further.

In insurance agencies, financial institutions, and other such channels, we will take steps to increase our market share and we have entered the independent agency retail market to address the needs of customers that we have not been able to reach easily with our conventional sales and service channels.

■ Strengthening of Group Businesses

To establish a medium- to long-term foundation for growth, we will expand our share of the domestic life insurance market while also working to expand the Group’s overall earnings through the overseas insurance business, asset management business, and businesses that will cultivate the domestic life insurance market.

In the overseas insurance business, we will strengthen our existing domains by introducing support by business field in addition to our existing systems for providing support by region, and by sharing expertise between local subsidiaries. Furthermore, we will expand into new domains, including by taking majority stakes.

Moreover, to further address customers’ asset formation needs, we will position the asset management business as a core Group business, given its high compatibility with the life insurance business, and work to strengthen Group collaboration with subsidiaries and to bolster investments and alliances overseas.

Through these initiatives, we are targeting net income for Group businesses of ¥30 billion under the New Three-Year Management Plan, and ¥100 billion in ten years’ time.



Top Message

Business Principles

■ Expand the Customer Base

To increase customer satisfaction even further, we will analyze customers' needs in detail and continue to provide them with high-value-added services. We will provide services that correspond to their various characteristics, such as establishing systems to encourage seniors to continue their policies with peace of mind, centered on the face-to-face Policy Details Confirmation Activities of our sales representatives.

Furthermore, we will offer customers greater convenience in providing guidance and carrying out procedures by making use of the Internet and the telephone.

■ Strengthen Financial Soundness

We will continue to strengthen our equity to ensure that we can fulfill our responsibility to protect our customers over the long term, even after major earthquakes or during financial crises. To prepare for the introduction of international capital requirements and our efforts to strengthen earning capacity in the future, we have established a medium- to long-term equity target of ¥6,500 billion, and are aiming to increase equity by ¥1,000 billion under the New Three-Year Management Plan.

By strengthening our equity in this way, we will also strive to achieve the increased risk-handling capacity needed to accelerate our growth strategy, and to ensure

the stability and enhancement of dividends to participating policyholders.

Furthermore, we will work to secure stable long-term investment of customers' insurance premiums by balancing investments across highly stable assets such as public and corporate bonds and risk assets such as shares. In particular, to bolster our asset management income further, we are targeting fields where growth is expected, such as the environment and infrastructure, and have established a quantitative investment plan to invest ¥1,000 billion in new investments over the coming three to five years.

Furthermore, we will promote comprehensive and strategic management and control of the risks facing the Company through enterprise risk management (ERM), seeking to achieve a stable increase in profit over the long term while ensuring financial soundness.

■ Develop Human Resources

I oversee the internal Human Value Improvement Project, which we started in fiscal 2015. Through the project, the entire Company will strive to “develop human resources with a high sense of ‘responsibility’ and ‘pride’ overflowing with magnetism.”

With regard to our sales representatives, we will develop human resources who give customers peace of mind by continually and perpetually maintaining close contact. We will strengthen systems for support between



the headquarters and branches through the Employee Development Promotion Department and take measures to bolster initial training such as extending the training period for new recruits. For non-sales personnel, our goal is to develop business professionals with wide-ranging knowledge and expertise, as well as the ability to make use of them.

Another focus is on preparing systems that will enable all employees to fully realize their ambitions and potential, whether they work in headquarters, branches, or sale offices and regardless of their age, gender, or rank. In particular, it is important to provide opportunities for our female employees, who make up around 90% of the Company's employees. We are taking steps to encourage them in a wider range of roles and aggressively promoting them into management.

In addition, our departmental managers (section managers) will lead the way as the Nippon Life version of "IkuBosses" ("bosses who understand and encourage the diversity of lifestyles, employees and ideas"), creating an open-minded corporate culture including efforts to nurture the next generation and establishing a comfortable working environment.

The above is an overview of the New Three-Year Management Plan.

This management plan has been named *Zen Shin*. *Zen* in this case means "everyone" working together with one mind, while *Shin* means "moving forward" as one towards the achievement of our goals. To make this happen, we need each employee to nurture the desire to move forward their mind, and maintain this desire. We will channel the total power of all executives and employees into achieving the New Three-Year Management Plan.

■ **New Corporate Message**

In conjunction with launching the New Three-Year Management Plan, Nippon Life has adopted a new corporate message, *Stay Closest to "Your Thoughts for Beloved Ones."* Implicit in this message is the Company's desire to become "the most familiar and approachable life insurance company" to all customers who care for their loved ones.



To put this desire into action, we will continue to conduct daily activities to provide safety and security for customers, mainly through our sales representatives. From fiscal 2015, we have also deployed ACTION CSR-V. In this initiative, around 70,000 executives and employees will engage in various volunteer activities to contribute to local communities. We will also sponsor the Tokyo 2020 Olympic and Paralympic Games as a Gold Partner in the life insurance category. We are committed to supporting a bright future for Japan, promoting sports and helping to raise the next generation of children.

■ **In Closing**

Through our efforts towards sound business management, we have continued to pay insurance claims and benefits reliably even in the face of major disasters and financial crises. In any era, the foundation of a life insurance enterprise is to take full responsibility for protecting customers, thus serving as a source of security and safety for them.

Each one of us will reaffirm this mission in our minds as we carry out our work each day.

We ask for your continued support and patronage.

July 2015
President

A handwritten signature in black ink, appearing to read "Y. Tsutsu". The signature is written in a cursive, flowing style.