

Long-term, Stable Investment

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

Basic Thinking on Asset Management

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

Specifically, in line with the abovementioned ERM and ALM* approaches, we base our asset portfolio management on Japanese government bonds and other yen-denominated fixed-income instruments to ensure that we provide policyholders with promised returns in a stable manner. Using stringent risk management, we also invest in foreign securities and other risk assets.

We aim to construct balanced portfolios that diversify risk across the asset classes, countries, and currencies that we target for investment, avoiding excessive bias towards a specific asset class or country. In line with the cyclical movement of markets over the medium to long term, we try to increase our stable returns through carefully managed transactions.

Since the funds invested represent the accumulation of premiums paid by many policyholders, we emphasize security, profitability, liquidity, and the public nature of our business in our asset investment approach.

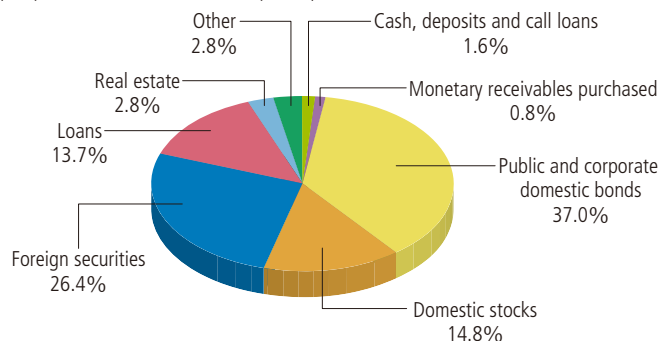
*ALM: asset/liability management: A method of comprehensively grasping and managing assets and liabilities.

Nippon Life's Basic Approach to General Account Investment

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

[Breakdown of General Account Portfolio]

(¥61,169.4 billion as of March 31, 2015)



Market Presence

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

For instance, we are actively engaged in investing in equities in conjunction with Group company Nissay Capital Co., Ltd. We are one of the leading private-sector institutional investors* in Japan, and we also invest in many unlisted Japanese companies that are aiming to become publicly listed enterprises.

We seek to engage in constructive dialogue with the companies in which we have invested with a view to promoting growth in the value of these companies over the medium and long terms.

Additionally, in loan transactions, we strive to support the development of industry by extending loans to customers across Japan, not just large

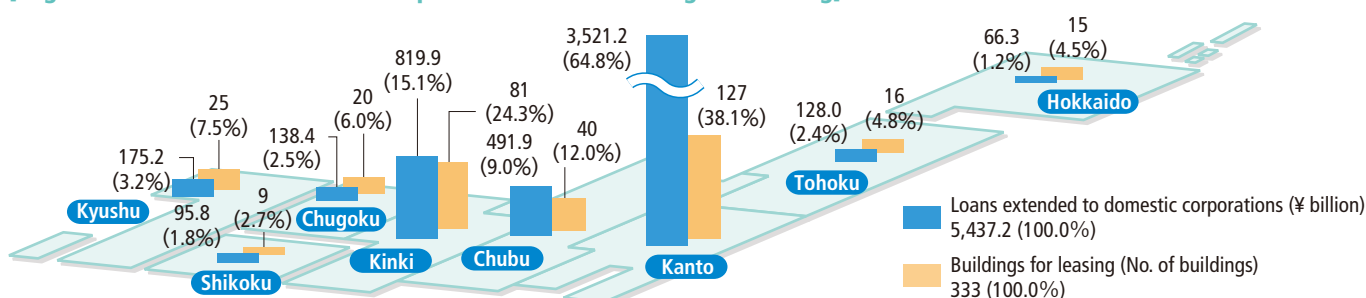
corporations. In the field of personal loans, we provide the financing needed for sound and enriched life planning through housing loans and other means. We are also active in real estate investment. Through a broad range of investments in office buildings nationwide, we are contributing to regional development.

* Excluding investments made using trust assets

| | |
|-----------------|---|
| Domestic stocks | <ul style="list-style-type: none"> ● Balance: ¥9,075.2 billion ● One of the leading private-sector institutional investors in Japan |
| Loans | <ul style="list-style-type: none"> ● Balance: ¥8,357.6 billion |
| Real estate | <ul style="list-style-type: none"> ● Balance of real estate for leasing: ¥1,079.9 billion ● Number of buildings held for leasing: 333 |

*Domestic stocks, loans (sum of industrial and consumer loans and policy loans) and real estate are as of March 31, 2015.

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



Stringent Investment Risk Management

Amid greater diversity and complexity of investment techniques, investment risk management is assuming increased importance in ensuring that portfolio investment yields are sufficient to fund the returns promised to policyholders.

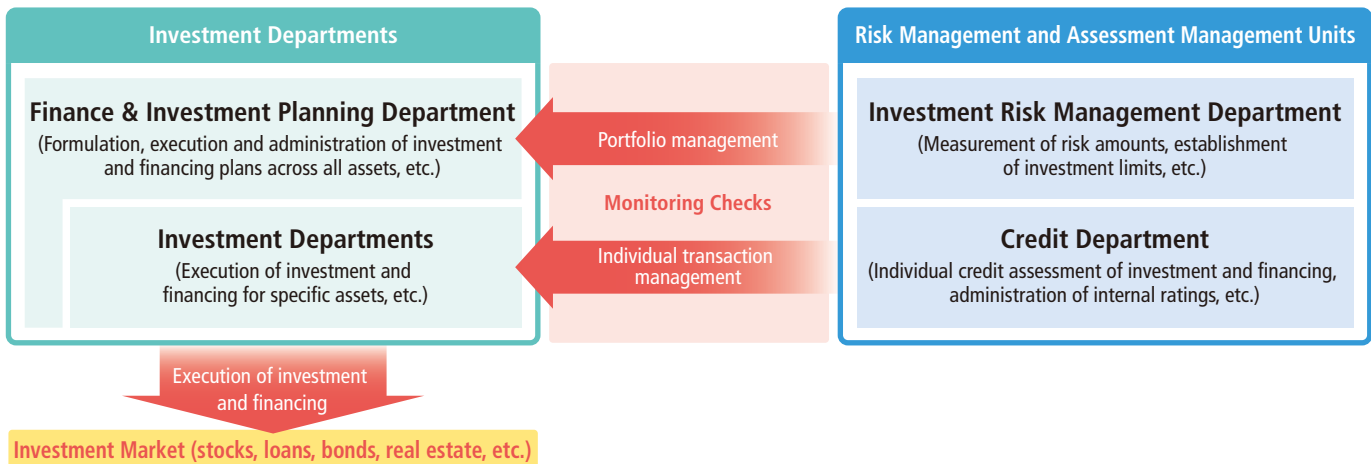
We continue to strengthen our ability to respond swiftly to any changes in market conditions based on close monitoring of individual investees and market conditions.

At Nippon Life, investment departments strive to limit exposure to risk by strictly selecting and diversifying investments, while risk management and

assessment management units provide checks by measuring the amount of risk in the portfolio and performing individual credit assessments and other tasks. Through these measures, Nippon Life strives to secure stable investment returns.

To reinforce our risk-response capabilities even further, we are also introducing more advanced stress tests (see p. 66) and refined risk measurement methodologies.

[Checking System for Investment Departments]



Global Investment Network

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

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

Credit Investment Department Established

In fiscal 2013, Nippon Life established the Credit Investment Department as an organization devoted to credit investment worldwide, in an effort to step up investment in the overseas credit field.

Now we will turn our efforts to bolstering and expanding credit investment on a global scale, starting with Asia.

[Global Investment Network]

(as of March 31, 2015)



Approach to Investment and Finance in Growing Fields

As one of the Japanese government's national growth strategies, the government has announced a policy of channeling private-sector funds to growing fields by utilizing public-private investment funds and encouraging venture capital investment, thereby revitalizing Japan's industry.

Investment and finance in growing fields include activities of a highly social and public nature, such as those spurring the development of companies and economies at large, and activities that are well suited to the

characteristics of life insurers' liabilities, notably the need for long-term investment. Accordingly, Nippon Life is paying close attention to investment and finance in growing fields.

In terms of investing in new business and growth sectors, we are increasing our focus on infrastructure and developing countries, and have set out quantitative targets as outlined below.

■ Specific Examples (Investment and Finance)

Loans

- Loans for overseas M&A funds using the JBIC Loan Facility Enhancing Global Business Development*¹ of the Japan Bank for International Cooperation (JBIC)
- Loans for PFI projects*²
- Foreign currency loans to Japanese companies and overseas local subsidiaries
- Investment in renewable energy and other infrastructure projects
- Investment in healthcare REITs*³

Overseas

- Investment in overseas infrastructure funds
- Bond investment in companies engaged in the infrastructure business and infrastructure finance (Export-Import Bank of Malaysia Berhad, Export-Import Bank of India, etc.)
- Investment in green bonds (as issued by transport authorities of Paris, London, etc.)

Real Estate

- Investment in large-scale logistics facilities
 - Investment in logistics centers (Atsugi, Kanagawa Prefecture)
 - Investment in logistics centers (Matsubara, Osaka Prefecture)

Equities

- Investment in PFI project*² promotion company (Private Finance Initiative Promotion Corporation of Japan*⁴)
- Equity investment in startups (Nippon Life and Nissay Capital Co., Ltd.)

Investment of ¥1 trillion in new and emerging growth fields over the next 3–5 years*⁵

*1 JBIC created this loan facility to provide additional assistance with the expansion of Japanese companies' businesses in overseas markets. With this loan facility, JBIC works closely with private-sector financial institutions to supply long-term funds for overseas M&As, infrastructure, resource projects, and other undertakings.

*2 PFI (Private Finance Initiative): A method for private companies to construct facilities and provide public services without the use of public funds.

*3 Healthcare REITs (Real Estate Investment Trusts): Investment trusts that specialize in investing in related healthcare facilities such as care homes and housing for seniors.

*4 A public-private investment fund formed through joint investment by the public and private sectors to provide financial assistance and other support for PFI projects.

*5 Initial plan target is to invest ¥800.0 billion over three years (subject to change depending on market conditions).

Investment in U.K. Infrastructure Debt Fund

In June 2014, we invested in a new U.K. infrastructure debt fund launched by Allianz Global Investors GmbH, which is part of the Allianz Group in which Nippon Life is a shareholder. The fund will be used to finance construction and development of roads, schools, and other infrastructure in the U.K.



(Image)

Investment in Green Bonds (Issued by the City of Paris)

In July 2014, we invested in the first green bonds issued by the City of Paris. The funds will help finance green transport projects within the city, including the introduction of highly energy-efficient trams.



Investment in a Healthcare REIT

In March 2015, we invested in Healthcare & Medical Investment Corporation.

This J-REIT is raising funds to finance the construction of care homes, housing and healthcare facilities for seniors.



Dialogue with Investee Companies to Promote Growth

In August 2014, we published the Action Policy regarding Japan's Stewardship Code of principles for responsible institutional investors. As a responsible medium- to long-term institutional investor, we will focus even more on engaging in constructive dialogue with investee companies to help them

generate stable earnings over the long term through growth, and to contribute to the sound development of the Japanese economy and society. We will also review these activities on an ongoing basis with a view to increasing their effectiveness.