

# Start of the New Three-Year Management Plan (FY2015–FY2017)

Based on the success achieved in returning Nippon Life to a growth trajectory during the previous three-year plan known as the Future Creation Project, we aim to build a medium- to long-term foundation for growth and to secure a solid No. 1 status in Japan with a view to creating the business base needed a decade from now over the three years from fiscal 2015. The strategy is based on the two elements of continuity to build on our existing organizational strengths and innovation to take on challenges in new areas.

We plan to achieve these goals through a growth strategy based on reinforcing the domestic life insurance business while also strengthening Group businesses. To fortify the business base that supports Group operations, we will focus on expanding the customer base, strengthening financial soundness, and developing human resources.

## Goals for All Nippon Life Employees

—To Become a Company of Excellence in Terms of “Scale,” “Quality” and “Credibility”—

“Build a medium- to long-term foundation for growth” and “Secure a solid No. 1 status in Japan”

### Growth strategies

P13

**Expansion of the domestic life insurance business**

Segment strategy progression

**Strengthening of Group businesses**

### Business principles

P14

**Expand the customer base**

**Strengthen financial soundness**

**Develop human resources**

Human Value Improvement Project

\* Nippon Life believes that people are its greatest asset. Therefore, we write the phrase “human resources” in Japanese using the kanji character for “treasure” in place of “resource,” although the pronunciation remains unchanged.

## Growth Strategies

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

Nippon Life has 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. In the next stage of this strategy, we aim to build systems that can cater to more diverse customer requirements with greater precision.

#### Provide attractive products and services that meet customer needs

- Broaden the product range by leveraging the flexibility of the *Mirai no Katachi* concept
- Rapidly develop more products for sale through bancassurance channels



#### Strengthen and diversify of sales/service channels

- Reinforce sales representatives and other channels where Nippon Life has a dominant presence, while targeting additional share in channels such as agencies and financial institutions
- Study ways of reaching customers via channels where Nippon Life has had a lower presence

**Expand customer base across multiple segments by providing an optimized product-channel mix, based on more diverse needs and customer selection methods for products and services**

### Strengthening of Group Businesses

We aim to increase the overall profitability of the Group by focusing on overseas insurance business, asset management business and businesses instrumental to the development of the domestic life insurance market.

#### Overseas insurance business

##### Earnings growth from existing businesses

- Improve performance and corporate value of existing businesses by reinforcing regional/functional support and sharing expertise between local subsidiaries

##### Expansion into new businesses

- Strengthen systems for new business development and expand operations using strategies customized to regional and specific market characteristics

##### Establishing supporting infrastructure

- Develop a risk management setup to contribute to improvement in long-term profitability, including better monitoring systems
- Develop human resources in collaboration with overseas subsidiaries, focusing on cultures/languages of other countries

#### Asset management business

##### Restore growth in domestic market by developing existing initiatives

- Promote Group-wide collaborative initiatives with Nissay Asset Management, targeting profits from areas such as mutual funds and pensions by supplying products that meet customer needs

##### Provide distinctive products as a major life insurer

- Build on the existing range of risk-hedged balanced funds to promote development of products that meet customer demand for stable asset management returns by utilizing the Group's life insurance expertise

##### Earn profits from overseas asset management markets

- With a view to accelerating the growth of the asset management business, boost overseas profits by increasing stakes in existing alliance partners and investigating new investments



**Businesses instrumental to the development of the domestic life insurance market**  
(acquire domestic external channels and related infrastructure)

**Realize target of consolidated net income of ¥100 billion within 10 years**

## Business Principles

### Expand the Customer Base

We will seek to improve customer satisfaction by continuously providing high-value-added services tailored to customer characteristics.

<ul style="list-style-type: none"> <li>■ <b>Establish service structure to meet diverse customer needs</b></li> </ul> <ul style="list-style-type: none"> <li>Sales representatives</li> <li>Non-sales personnel</li> <li>Telephone or Internet, etc.</li> </ul>	✕	<ul style="list-style-type: none"> <li>■ <b>Promote segment-based strategy</b></li> </ul> <p>Provide more sophisticated services to meet the needs of seniors, women and the younger generation, as well as core customers.</p> <div style="border: 1px dashed red; padding: 5px;"> <p>[Develop a more senior-friendly service setup]</p> <ul style="list-style-type: none"> <li>● Create conditions to promote greater customer confidence in Nippon Life policies</li> <li>● Upgrade customer evaluation and management capabilities</li> </ul> </div> <ul style="list-style-type: none"> <li>■ <b>Upgrade telephone and Internet-based service channels</b></li> </ul>
---	---	---

**CRM\* promotion** Improve customer satisfaction with services across various segments based on a highly detailed analysis of customer needs

\* CRM: Customer Relationship Management

### Strengthen Financial Soundness

We will strengthen the financial foundation so we can continue to offer protection policies to customers over the long term.

**ERM\* promotion**

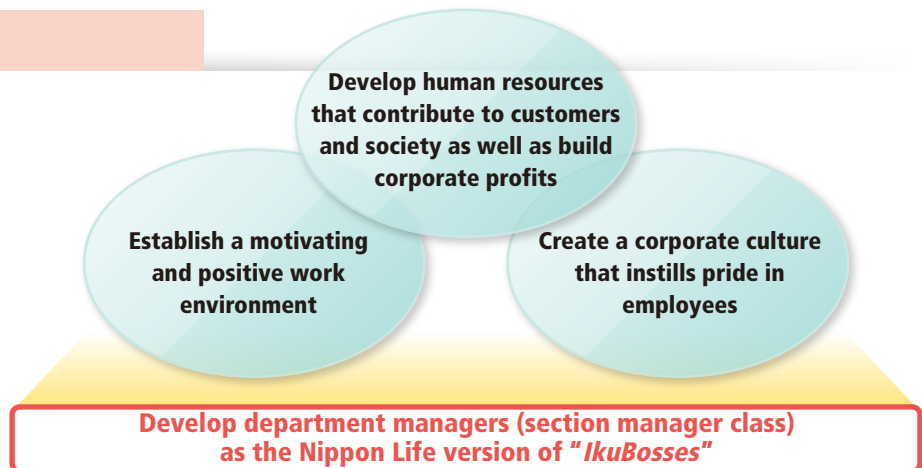
- Set targets for profits and financial soundness and introduce economic value-based indicators based on the international trend in capital regulation
- Flexibly rebalance resources and capital alongside unified management of risk versus return

\* ERM: Enterprise Risk Management

<b>Review of cost structure</b>	<ul style="list-style-type: none"> <li>● Flexibly allocate resources to sectors with earnings growth potential over the medium to long term, including new businesses</li> <li>● Establish a low-cost structure by reducing fixed costs in existing businesses</li> </ul>
<b>Asset management strategy</b>	<ul style="list-style-type: none"> <li>● Earn stable investment returns over the long term by diversifying risk and focusing on transactions that capture cyclical trends</li> <li>● Accelerate investment into new business and growth sectors, including infrastructure and developing countries</li> </ul>
<b>Equity strategy</b>	<ul style="list-style-type: none"> <li>● Strategically allocate capital to new initiatives aimed at expanding Group businesses</li> <li>● Accumulate equity (including external fundraising proceeds) towards achieving the medium- to long-term goal of ¥6.5 trillion</li> </ul>

### Develop Human Resources

We initiated the Human Value Improvement Project under the leadership of Nippon Life's president in fiscal 2015 with the aim of cultivating employees who take pride and responsibility in their work as Nippon Life employees, corporate citizens, and human beings.



**Building the foundation** Respect for human rights, professional conduct, compliance, worker health management, social contribution activities by 70,000 employees, sense of unity within the Nippon Life Group