

# **Business Performance Highlights**

Financial Information  
Non-Financial Information

# Individual Market Sales Field

## New Policies (For the fiscal year ended March 31, 2017)

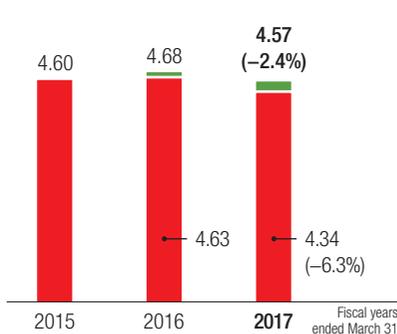
### Number of Policies Sold

[Domestic Total (Nippon Life+Mitsui Life)]

**4.57 million**

[Nonconsolidated] **4.34 million**

■ Nippon Life ■ Mitsui Life  
(Unit: Millions of Policies)



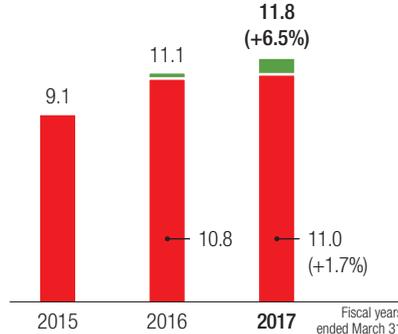
### Amount of New Policies

[Domestic Total (Nippon Life+Mitsui Life)]

**¥11,897.8 billion**

[Nonconsolidated] **¥11,046.3 billion**

(Unit: Trillions of Yen)



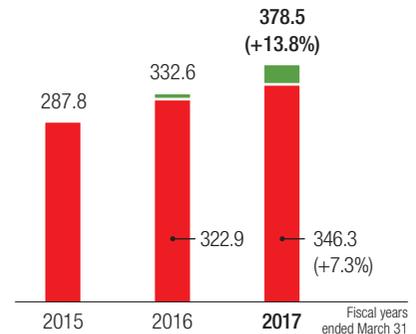
### Annualized Premiums on New Policies

[Domestic Total (Nippon Life+Mitsui Life)]

**¥378.5 billion**

[Nonconsolidated] **¥346.3 billion**

(Unit: Billions of Yen)



## Policies in Force (As of March 31, 2017)

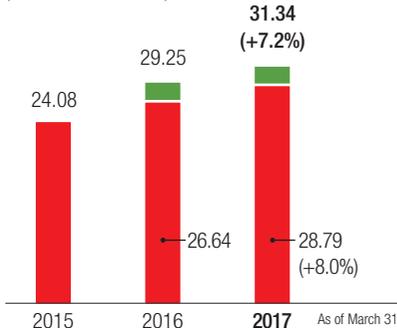
### Number of Policies in Force

[Domestic Total (Nippon Life+Mitsui Life)]

**31.34 million**

[Nonconsolidated] **28.79 million**

■ Nippon Life ■ Mitsui Life  
(Unit: Millions of Policies)



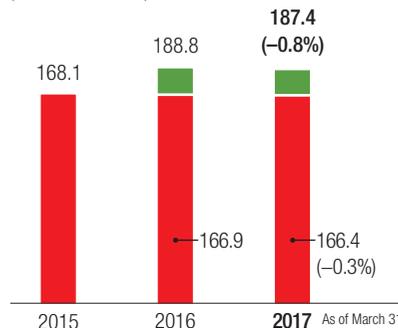
### Amount of Policies in Force

[Domestic Total (Nippon Life+Mitsui Life)]

**¥187,405.8 billion**

[Nonconsolidated] **¥166,467.6 billion**

(Unit: Trillions of Yen)



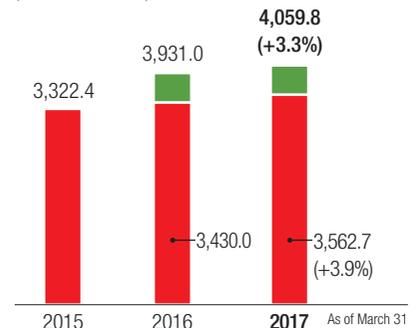
### Annualized Premiums for Policies in Force

[Domestic Total (Nippon Life+Mitsui Life)]

**¥4,059.8 billion**

[Nonconsolidated] **¥3,562.7 billion**

(Unit: Billions of Yen)



- Notes: 1. Number of policies sold represents the total of new policies and policies after conversions.  
 2. Amount of annualized premiums on new policies which includes net increase due to conversions.  
 3. Annualized premiums, the amount for an entire year, are calculated by applying coefficients based on the premium payment method to a single premium payment amount. (The premium divided by the coverage period is used for single payments).  
 4. Amount of new policies and policies in force represents the total sum of: the individual insurance coverage amount for individual insurance, the individual annuity resources amount (amount of future annuity payments translated to value at the start of annuity payments) for individual annuities in the case of policies prior to the start of annuity payments, and the policy reserves amount (amount of reserves accumulated for future payments of annuities and others) for individual annuities in the case of policies after the start of annuity payments.  
 5. For Mitsui Life, new policies reflect those for the fourth quarter of the fiscal year ended March 31, 2016, and policies in force are the number at the end of that fiscal year.

On a nonconsolidated basis, the amount of new policies and annualized premiums increased as a result of factors including the launch in April 2016 of *Gran Age*, Nissay's long-life insurance with a low cash surrender value, and proactive sales of increasing term life insurance which was revised in June 2016, despite the discontinuation of sales of *Yume no Katachi Plus*, a yen-denominated fixed whole life insurance product, due to the impact of low interest rates. The number of new policies declined due to the drop in the sales volume of *Mirai no Katachi "Five Stars,"* which was launched in fiscal 2015. The number of policies in force increased for the fifth consecutive year, while annualized premiums for policies in force grew for the sixth straight year. The amount of policies in force declined at a rate slower than in the previous year, due to an improvement in surrenders and lapses and an increase in new policies.

Cumulative domestic figures for new policies increased both in terms of amount and annualized premiums, partly due to the fact that Mitsui Life's performance was included, but the number of new policies declined. For policies in force, the number of policies and annualized premiums increased, but the amount of policies in force fell.

# Corporate Market Sales Field

(As of March 31, 2017)

## Amount of Group Insurance Policies in Force

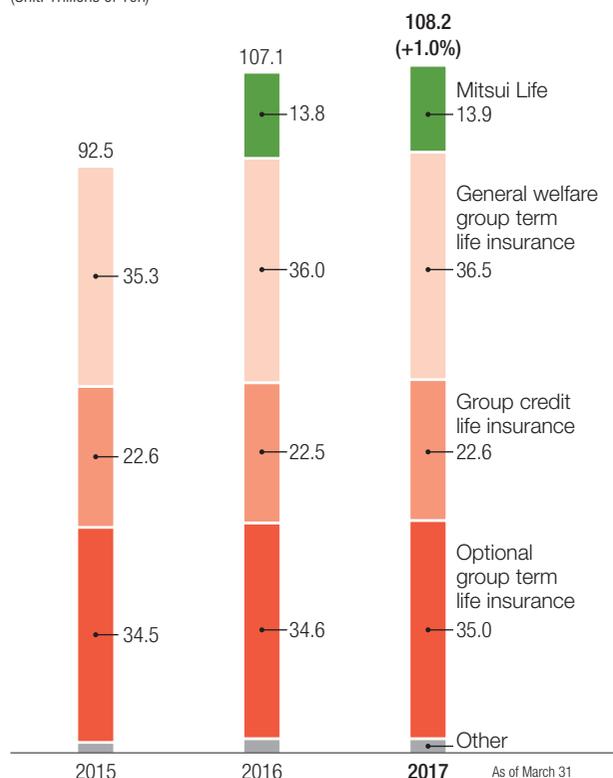
[Domestic Total (Nippon Life+Mitsui Life)]

**¥108,239.5 billion**

[Nonconsolidated]

**¥94,326.3 billion**

(Unit: Trillions of Yen)



## Amount of Group Annuities in Force

[Domestic Total (Nippon Life+Mitsui Life+Nissay Asset Management)]

**¥15,640.1 billion**

[Nonconsolidated]

**¥12,625.4 billion**

(Unit: Trillions of Yen)



Notes: 1. Mitsui Life results at the end of fiscal years 2015 and 2016 have been included.

2. Nissay Asset Management's figures are included in the amount of group annuities in force.

3. The amount of group annuities in force for Nippon Life and Mitsui Life represents each company's respective policy reserves total amount, and for Nissay Asset Management represents assets under management.

On a nonconsolidated basis, we grew the amount of group insurance policies in force by working to meet corporate customers' needs, including through consulting. In addition, group annuity assets increased, buoyed by the receipt of a large-scale project. Cumulative domestic figures rose for both the amount of group insurance policies in force and the amount of group annuities in force.

# Revenues from Insurance and Reinsurance

For the fiscal  
year ended  
March 31, 2017

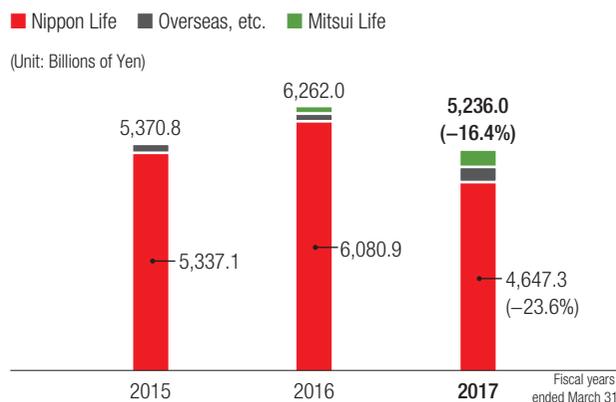
[Consolidated]

**¥5,236.0 billion**

[Nonconsolidated]

Fiscal year ended  
March 31, 2017  
**¥4,647.3 billion**

## Revenues from Insurance and Reinsurance (Consolidated)



Revenues from insurance and reinsurance comprises insurance and reinsurance premiums paid by policyholders.

Premium income breaks down into the following categories: individual insurance, individual annuities, group insurance, and group annuities (see p. 228).

In the fiscal year ended March 31, 2017, revenues from insurance and reinsurance totaled ¥4,647.3 billion on a nonconsolidated basis and ¥5,236.0 billion on a consolidated basis.

Notes: 1. Mitsui Life's figure for fiscal 2015 is for the fourth quarter of the fiscal year ended March 31, 2016, the portion that is reflected in consolidated results.  
2. Total revenues from insurance and reinsurance denote consolidated revenue from insurance and reinsurance from Nippon Life, Mitsui Life, MLC and Nippon Life Insurance Company of America.

# Core Operating Profit

For the fiscal  
year ended  
March 31, 2017

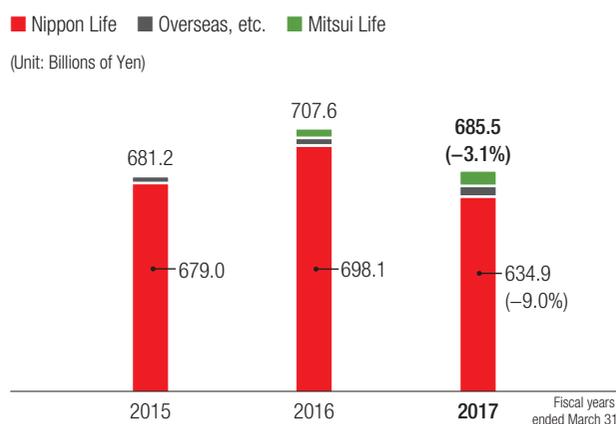
[Group]

**¥685.5 billion**

[Nonconsolidated]

Fiscal year ended  
March 31, 2017  
**¥634.9 billion**

## Trends in Core Operating Profit (Group)



Core operating profit mainly consists of income related to insurance (the net of income from premiums less payments for insurance claims and business costs) and investment operations, including interest and dividend income. It is the fundamental index that reflects an insurance company's earnings position on a flow basis. For the fiscal year ended March 31, 2017, nonconsolidated core operating profit stood at ¥634.9 billion and core operating profit from the Group's insurance operations was ¥685.5 billion, remaining at a high level (see p. 208).

Notes: 1. Mitsui Life's figure for fiscal 2015 is for the fourth quarter of the fiscal year ended March 31, 2016, the portion that is reflected in consolidated results.  
2. Core operating profit from the Group's insurance operations is calculated based on Nippon Life's core operating profit, Mitsui Life's core operating profit, and equity in overseas life insurance subsidiaries and affiliates' net income before taxes with some internal transaction adjustments.

## Ordinary Profit (Nonconsolidated)

(Unit: Billions of Yen)

	2015	2016	2017
Core operating profit	¥679.0	¥698.1	¥634.9
Expense difference	79.5	65.6	54.1
Risk difference	408.9	432.0	432.5
Interest difference	190.6	200.4	148.2
Capital gain/loss	173.6	(11.7)	(28.9)
Non-recurring gain/loss	(245.5)	(148.8)	(147.5)
Ordinary profit	607.2	537.5	458.4

Notes: 1. Core operating profit + capital gain/loss + non-recurring gain/loss = ordinary profit  
2. The breakdown of core profit (expense difference, risk difference, and interest difference) has been calculated using a proprietary method giving consideration to the Company's unique factors, such as the composition of policies in force.  
3. Capital gain/loss includes gain/loss on sales of securities and loss on valuation of securities and others.  
4. Non-recurring gain/loss includes provision for and reversal of contingency reserves and others.

# Investment Income

For the fiscal  
year ended  
March 31, 2017

[Consolidated]

¥1,805.2 billion

[Nonconsolidated]

Fiscal year ended  
March 31, 2017  
¥1,661.9 billion

In fiscal 2016, the market environment was highly volatile with respect to interest rates, stock prices and foreign exchange rates, owing to political events including the U.K. referendum (Brexit) and the U.S. presidential election. Japanese interest rates rose slightly due to the Bank of Japan's introduction of monetary easing with yield curve control, but interest rates remained low.

Even in this environment, we strove to increase returns by stepping up investment in the overseas credit field, where interest rates are relatively high, while maintaining our fundamental policy of a diversified portfolio. In addition, we worked towards our target of investing ¥1 trillion in emerging economies and environment-related growth and new domains over the three to five years from the fiscal year ended March 31, 2016. By forging ahead with these initiatives, we generated nonconsolidated interest, dividends, and other income of ¥1,365.6 billion (down 2.2% year on year), marking the seventh straight year of positive returns.

## Main Investment-Related Revenues and Expenditures (Nonconsolidated)

(Unit: Billions of Yen)

Fiscal years ended March 31	2015	2016	2017
Investment income	¥1,773.9	¥1,500.1	¥1,661.9
Interest, dividends and other income	1,371.7	1,396.1	1,365.6
Gain on sales of securities	242.0	94.1	254.0
Gain from separate accounts, net	154.1	–	35.0
Investment expenses	140.9	216.6	388.0
Loss on sales of securities	18.3	13.5	118.7
Loss on valuation of securities	3.2	35.7	27.7
Loss on separate accounts, net	–	31.1	–
Net proceeds from investments	1,632.9	1,283.5	1,273.9
Proceeds from investments in the general account	1,478.7	1,314.7	1,238.8

## Total Assets

As of March 31,  
2017

[Consolidated]

¥72,464.2 billion

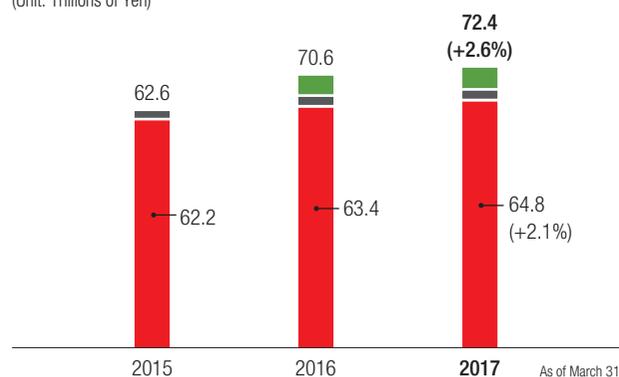
[Nonconsolidated]

As of March 31, 2017  
¥64,814.0 billion

## Trends in Total Assets (Consolidated)

■ Nippon Life ■ Other Subsidiaries, etc. ■ Mitsui Life

(Unit: Trillions of Yen)



General business companies break down total assets into the categories of current assets, fixed assets, and deferred assets. However, life insurance companies show break downs of total assets by each asset category backed by policyholder reserves (see pages 120 and 158).

As of March 31, 2017, total assets were ¥64,814.0 billion on a nonconsolidated basis and ¥72,464.2 billion on a consolidated basis.

## Equity

As of March 31,  
2017

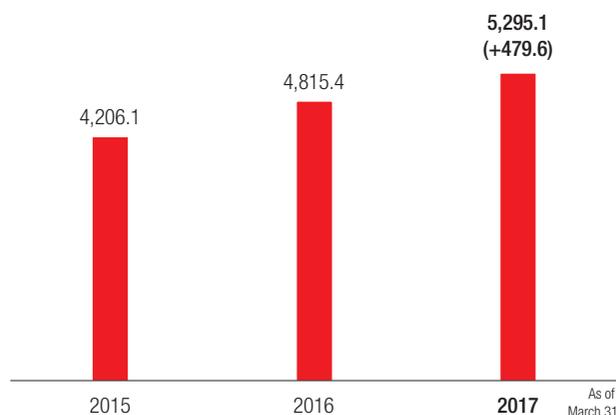
[Nonconsolidated]

# ¥5,295.1 billion

Including foundation funds  
(*kikin*) and reserves of  
¥4,454.2 billion

### Trends in Equity (Nonconsolidated)

(Unit: Billions of Yen)



Equity is the sum of foundation funds (*kikin*), reserves and other items (foundation funds and the reserve for redemption of foundation funds, which are included in net assets on the balance sheets, and the contingency reserve and reserve for price fluctuations in investments in securities, which are included in liabilities on the balance sheets), and subordinated bonds.

Nippon Life works to build up equity. This equity is a financial resource for responding to risks that do not include unrealized gain on securities, which is easily affected by the economic environment. More specifically, even if management risks such as a massive natural disaster or dramatic decline in stock prices occur, this financial platform enables Nippon Life to pay out insurance claims and benefits as stipulated in insurance policies. This equity is also a source of future dividend payments.

Equity was ¥5,295.1 billion as of March 31, 2017 as Nippon Life maintained a high level of equity in order to ensure financial soundness.

### Equity Replacement Ratio (Nonconsolidated)

(Unit: Billions of Yen)

As of March 31	2015	2016	2017
Foundation funds ( <i>kikin</i> ) and reserves	¥3,806.5	¥4,164.6	¥4,454.2
Net assets	1,491.3	1,548.9	1,556.0
Equalized reserve for dividends to policyholders	50.0	50.0	40.0
Liabilities	2,315.1	2,615.6	2,898.2
Contingency reserve	1,250.2	1,400.5	1,523.4
Reserve for price fluctuations in investments in securities	778.7	947.3	1,116.7
Subordinated bonds	399.5	650.8	840.8
Equity	4,206.1	4,815.4	5,295.1

Note: Net assets are shown as the amount after the appropriation of retained earnings after deducting valuations, conversions and others from total net assets on the balance sheets.

# Unrealized Gain/Loss on Securities

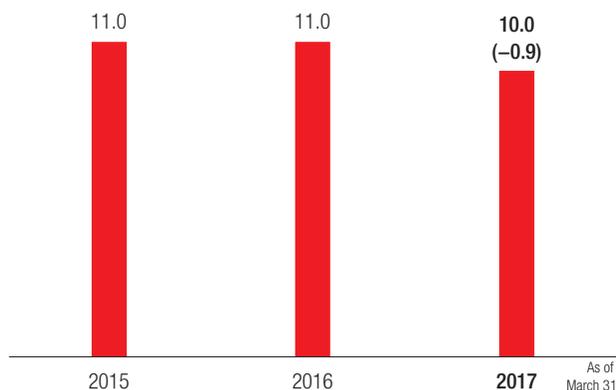
As of March 31,  
2017

[Nonconsolidated]

¥10,073.4 billion

## Trends in Unrealized Gain/Loss on Securities

(Unit: Trillions of Yen)



Unrealized gain/loss on securities indicates the difference between the market value of securities and the book value. Unrealized gain/loss on securities, although affected by economic conditions, is one of the indicators for preparing against risk (see p. 194).

As of March 31, 2017, unrealized gain/loss on securities was ¥10,073.4 billion.

## Solvency Margin Ratio

As of March 31,  
2017

[Consolidated]

933.9 %

[Nonconsolidated]

As of March 31, 2017

896.0 %

The solvency margin ratio is the total value of the solvency margin (equity plus unrealized gain/loss on securities, etc.) divided by the quantified amount of all risks exceeding those that can normally be forecast, including major natural disasters and a large drop in stock prices. The solvency margin is used by regulatory agencies as an indicator of the amount of surplus capacity available to make payments. When this ratio falls below 200%, an insurance company is subject to an order by the regulatory agencies to improve business.

The solvency margin ratio as of March 31, 2017 was 896.0% on a nonconsolidated basis and 933.9% on a consolidated basis, which ensures a high level of preparedness for paying benefits with sufficient surplus capacity to fully cover risk (see pages 190 and 272).

## Solvency Margin Ratio

(Unit: Billions of Yen)

[Nonconsolidated]				[Consolidated]		
As of March 31	2015	2016	2017	2017		
Total solvency margin (A)	13,421.0	12,172.5	12,596.0	13,078.2		
Total amount of risk (B)	2,883.6	2,693.7	2,811.4	2,800.7		
Solvency margin ratio	$\frac{(A)}{(1/2) \times (B)} \times 100$		930.8%	903.7%	896.0%	933.9%

## High Level of Real Net Assets

As of March 31,  
2017

[Consolidated]

# ¥17,107.9 billion

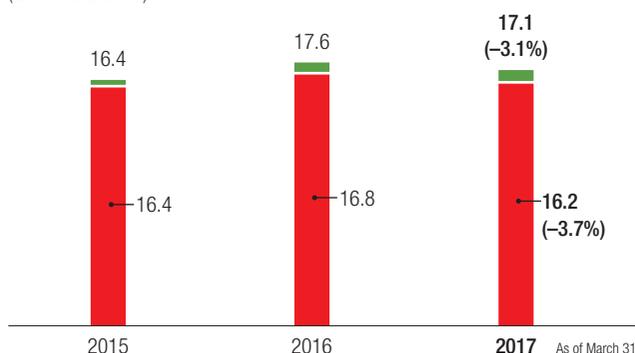
[Nonconsolidated]

As of March 31, 2017  
¥16,231.7 billion

### Trends in Real Net Assets (Consolidated)

■ Nippon Life ■ Mitsui Life, overseas, etc.

(Unit: Trillions of Yen)



Real net assets are calculated by subtracting total liabilities, other than contingency reserves and other liability items highly similar to equity, from total assets at market value. Real net assets are an approximation of an insurance company's liquidation value. If real net assets are negative, the regulatory agencies may judge that liabilities exceed assets in real terms, and an insurance company may be subject to an order by the regulatory agency to suspend business.

As of March 31, 2017, nonconsolidated real net assets were ¥16,231.7 billion. Consolidated real net assets were ¥17,107.9 billion.

## Excellent Ratings from Ratings Companies

Ratings (as of July 1, 2017)



Issued by third-party ratings agencies, ratings are an evaluation of an insurance company's ability to pay insurance claims. (Ratings are not a guarantee that claims and other payments will be fulfilled.)

### Ranking Standard

AAA	The higher rank has the higher capacity to meet payment obligations.	<b>R&amp;I's Definition of "AA" Rating</b> <a href="http://www.r-i.co.jp/eng/">http://www.r-i.co.jp/eng/</a> A very high degree of capacity for the payment of insurance claims and excellence in several key factors of evaluation.
AA		<b>S&amp;P's Definition of "A" Rating</b> <a href="http://www.standardandpoors.com">http://www.standardandpoors.com</a> Strong capacity to fulfill insurance policy obligations; but compared with the top "AAA" rating, the "AA" rating is somewhat susceptible to adverse economic conditions and changes in circumstances.
A		<b>Moody's Definition of "A" Rating</b> <a href="http://www.moody.com/">http://www.moody.com/</a> Obligations judged to be upper-medium grade and subject to low credit risk.
BBB		
BB		
B		
⋮		

\*1 The ratings are based on information and data up to the time of each rating and are subject to change in the future.

\*2 Nippon Life received the ratings from R&I, S&P, and Moody's after officially requesting them and providing detailed information for more accurate evaluation.

\*3 Plus (+) or minus (-) signs following the ratings show relative standing within the major rating categories.

# Distribution of Dividends to Participating Insurance Policyholders

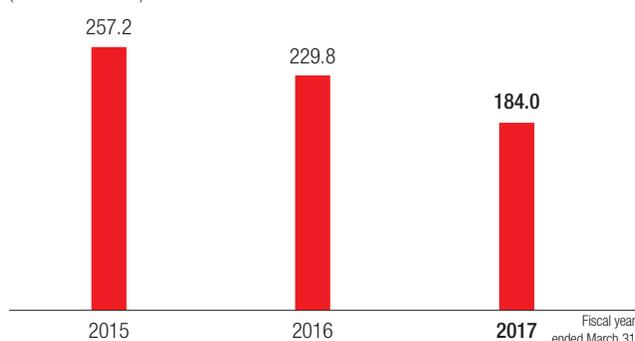
## Fiscal 2017 Policy Claims to Policyholders Based on Fiscal 2016 Results

Life insurance policies are long-term contracts extending from the initial enrollment to the receipt of claims and benefits or other events. Aiming to maximize profits for policyholders over the medium to long term, we strive to pay policy claims and benefits along with stable annual policyholder dividends each year.

While the operating results for fiscal 2016 were not as strong as we would have liked, Nippon Life maintained the same level of dividends as the previous fiscal year for individual insurance and individual annuity insurance based on the management policy of making stable dividend payments.

## Amount of Reserve for Policyholder Dividends

(Unit: Billions of Yen)



The reserve for policyholder dividends is accumulated to fund dividend payments to policyholders.

We try to balance these reserves against our equity so that we can maintain steady annual dividend payments.

## Policyholder Dividends in Mutual Companies

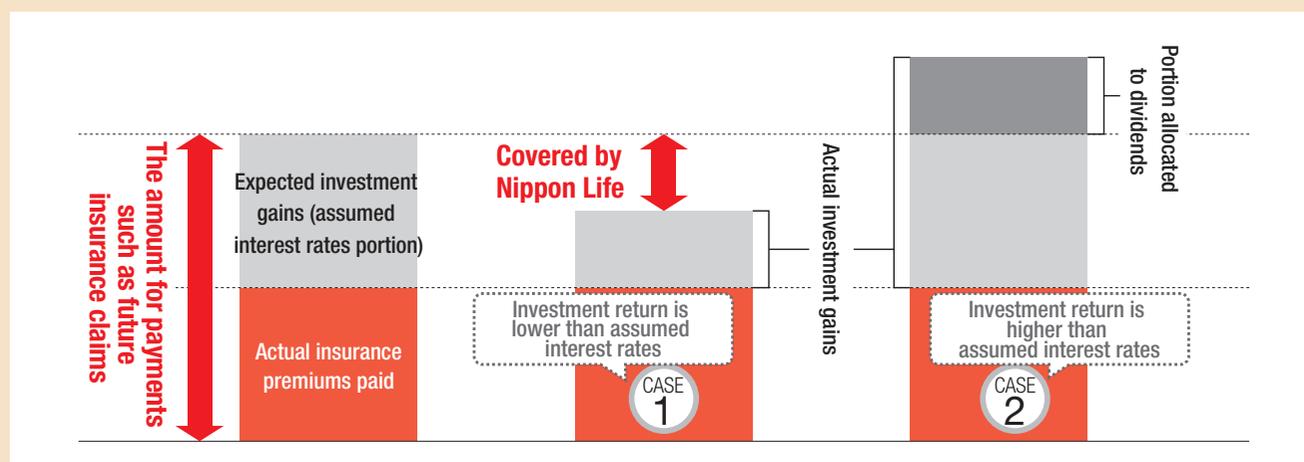
Life insurance premiums are generally calculated based upon expected rates, including rates of interest and mortality. However, because life insurance contracts are long-term agreements, actual conditions may differ from expectations due to changes in the economic environment, increasing management efficiency, or other factors.

Life insurance contracts can be broadly classified into two categories, namely "participating insurance," where dividend payments are distributed, and "non-participating insurance," where no dividend payments are distributed. In the event that a surplus is generated by the difference between expected rates and actual conditions in participating insurance, the increase is deemed to be distributable to policyholders (excluding non-participating insurance policyholders) based on policy terms as policyholder dividends. In fact, policyholder dividends could be classified, by nature, as the post-settlement of insurance premiums that were originally calculated based upon expected rates.

Nippon Life employs a mutual company format in which all policyholders (excluding non-participating insurance policyholders) are counted as members of the Company. In addition to the accumulation of equity, the majority of the surplus is returned to policyholders as participating policyholder dividends.

### ● Dividend Framework

The chart below shows the framework for dividends based on assumed rates. Insurance premiums are calculated while discounting investment gains based on assumed rates. Even if actual investment profits are lower than expected, as in Case 1 below, Nippon Life guarantees this discount on insurance premiums to stay the same.



Please see p. 60 of the Policy Details Reminder, which is sent out each year to every customer.

## Main Balance Sheet Items

(Nonconsolidated)

As of March 31	2017	
<b>Total assets</b>	<b>64,814.0</b>	<b>(A)</b>
Cash and deposits	917.0	
Call loans	270.0	
Monetary receivables purchased	326.2	
Assets held in trust	3.3	
Investments in securities	53,025.0	<b>(B)</b>
Loans	7,749.5	
Tangible fixed assets	1,641.0	
Intangible fixed assets	173.3	
Reinsurance receivables	0.5	
Other assets	691.7	
Customers' liability for acceptances and guarantees	44.2	
Allowance for doubtful accounts	(2.8)	
Allowance for investment loss	(25.2)	
<b>Total liabilities</b>	<b>58,610.7</b>	
Policy reserves and other reserves:	53,999.1	
Policy reserves	52,650.2	<b>(C)</b>
Reinsurance payables	0.6	
Corporate bonds	840.8	
Other liabilities	1,567.1	
Accrued bonuses for directors and audit and supervisory board members	0.0	
Accrued retirement benefits	358.6	
Accrued retirement benefits for directors and audit and supervisory board members	4.4	
Reserve for program points	9.0	
Reserve for price fluctuations in investments in securities	1,116.7	<b>(D)</b>
Deferred tax liabilities	563.3	
Deferred tax liabilities for land revaluation	106.4	
Acceptances and guarantees	44.2	
<b>Total net assets</b>	<b>6,203.2</b>	
Foundation funds	150.0	<b>(E)</b>
Reserve for redemption of foundation funds	1,150.0	
Reserve for revaluation	0.6	
Surplus	440.6	
Total foundation funds and others (=①+②+③+④)	1,741.2	
Net unrealized gains on available-for-sale securities	4,585.2	
Deferred losses on derivatives under hedge accounting	(65.2)	
Land revaluation losses	(58.0)	
Total valuations, conversions, and others (=⑤+⑥+⑦)	4,461.9	
<b>Total liabilities and net assets</b>	<b>64,814.0</b>	

### (A) Total Assets

General account assets were ¥63,498.2 billion, while separate account assets were ¥1,315.7 billion.

### (B) Investments in Securities

From the standpoint of increasing profits for policyholders through the medium- and long-term improvement of revenues and profits, Nippon Life in particular holds domestic bonds, including national government bonds, local government bonds, and corporate bonds, all of which present potential for stable yen-denominated returns. Also, within the range of allowable risks, Nippon Life invests in domestic stocks, foreign securities and other securities.

Net unrealized gains on securities, the difference between the market value and book value of the securities, was ¥10,073.4 billion.

(Consolidated)

As of March 31	2017
<b>Total assets</b>	<b>72,464.2</b>
Cash and deposits	1,337.9
Call loans	270.0
Monetary receivables purchased	337.9
Assets held in trust	3.5
Investments in securities	58,262.1
Loans	8,990.3
Tangible fixed assets	1,868.1
Intangible fixed assets	236.5
Reinsurance receivables	12.5
Other assets	1,104.0
Deferred tax assets	5.6
Customers' liability for acceptances and guarantees	39.9
Allowance for doubtful accounts	(4.4)
<b>Total liabilities</b>	<b>65,935.3</b>
Policy reserves and other reserves:	60,394.0
Policy reserves	58,930.8
Reinsurance payables	9.5
Corporate bonds	920.8
Other liabilities	2,243.2
Accrued bonuses for directors and audit and supervisory board members	0.0
Net defined benefit liability	450.5
Accrued retirement benefits for directors and audit and supervisory board members	5.2
Reserve for program points	9.0
Reserve for price fluctuations in investments in securities	1,135.7
Deferred tax liabilities	620.5
Deferred tax liabilities for land revaluation	106.4
Acceptances and guarantees	39.9
<b>Total net assets</b>	<b>6,528.9</b>
Foundation funds	150.0
Reserve for redemption of foundation funds	1,150.0
Reserve for revaluation	0.6
Consolidated surplus	622.3
Total foundation funds and others	1,923.0
Net unrealized gains on available-for-sale securities	4,588.0
Deferred losses on derivatives under hedge accounting	(65.2)
Land revaluation losses	(58.0)
Foreign currency translation adjustments	30.5
Remeasurement of defined benefit plans	(24.5)
Total accumulated other comprehensive income	4,470.7
Noncontrolling interests	135.2
<b>Total liabilities and net assets</b>	<b>72,464.2</b>

### (C) Policy Reserves

Policy reserves are reserves that must be accumulated under the Insurance Business Act in order to prepare for payments of future insurance claims and other benefits.

### (D) Reserve for Price Fluctuations in Investments in Securities

Reserve for price fluctuations in investments in securities is accumulated in accordance with the Insurance Business Act to cover losses caused by a future decrease in prices of assets whose value is likely to fluctuate, such as stocks.

### (E) Foundation Funds (*Kikin*)/Reserve for Redemption of Foundation Funds

In accordance with the Insurance Business Act, foundation funds (*kikin*) serve as the financial base for mutual companies while providing a means of financing granted only to mutual companies and corresponding to the capital of joint-stock companies.

\* Please see pages 120 and 158 for balance sheets.

# Main Items in Statements of Income

## (Nonconsolidated)

Fiscal year ended March 31		(Unit: Billions of Yen)
		2017
①	<b>Ordinary income:</b>	<b>6,452.6</b>
	Revenues from insurance and reinsurance	4,647.3
	Investment income:	1,661.9
	Interest, dividends and other income	1,365.6
	Gain on sales of securities	254.0
	Other ordinary income	143.3
②	<b>Ordinary expenses:</b>	<b>5,994.2</b>
	Benefits and other payments:	3,529.2
	Death and other claims	1,018.3
	Annuity payments	836.3
	Health and other benefits	658.9
	Surrender benefits	801.7
	Other refunds	212.0
	Provision for policy reserves:	1,267.9
	Provision for policy reserves	1,214.3
	Provision for interest on reserve for dividends to policyholders	22.4
	Investment expenses:	388.0
	Loss on sales of securities	118.7
	Loss on valuation of securities	27.7
	Loss on derivative financial instruments, net	119.1
	Provision for allowance for investment loss	25.2
	Operating expenses	572.1
	Other ordinary expenses	236.8
③	<b>Ordinary profit (=①-②)</b>	<b>458.4</b>
④	<b>Extraordinary gains</b>	<b>38.8</b>
⑤	<b>Extraordinary losses:</b>	<b>191.3</b>
	Provision for reserve for price fluctuations in investments in securities	169.4
⑥	<b>Extraordinary gains (losses) (=④-⑤)</b>	<b>(152.4)</b>
⑦	<b>Surplus before income taxes (=③+⑥):</b>	<b>306.0</b>
	Income taxes – current	86.2
	Income taxes – deferred	(48.8)
⑧	<b>Total income taxes</b>	<b>37.4</b>
⑨	<b>Net surplus (=⑦-⑧)</b>	<b>268.6</b>

## (Consolidated)

Fiscal year ended March 31		(Unit: Billions of Yen)
		2017
①	<b>Ordinary income:</b>	<b>7,301.8</b>
	Revenues from insurance and reinsurance	5,236.0
	Investment income:	1,805.2
	Interest, dividends and other income	1,458.3
	Gain on sales of securities	287.1
	Other ordinary income	260.5
②	<b>Ordinary expenses:</b>	<b>6,773.4</b>
	Benefits and other payments:	4,151.6
	Death and other claims	1,226.8
	Annuity payments	936.7
	Health and other benefits	824.5
	Surrender benefits	932.8
	Other refunds	217.6
	Provision for policy reserves:	1,179.1
	Provision for policy reserves	1,125.7
	Provision for interest on reserve for dividends to policyholders	22.4
	Investment expenses:	395.1
	Loss on sales of securities	123.7
	Loss on valuation of securities	27.8
	Loss on derivative financial instruments, net	116.2
	Operating expenses	708.2
	Other ordinary expenses	339.1
③	<b>Ordinary profit (=①-②)</b>	<b>528.3</b>
④	<b>Extraordinary gains</b>	<b>39.8</b>
⑤	<b>Extraordinary losses:</b>	<b>196.2</b>
	Provision for reserve for price fluctuations in investments in securities	172.0
⑥	<b>Extraordinary gains (losses) (=④-⑤)</b>	<b>(156.4)</b>
⑦	<b>Provision for reserve for dividends to policyholders (limited company)</b>	<b>18.1</b>
⑧	<b>Surplus before income taxes (=③+⑥-⑦):</b>	<b>353.8</b>
	Income taxes – current	99.8
	Income taxes – deferred	(54.3)
⑨	<b>Total income taxes</b>	<b>45.5</b>
⑩	<b>Net surplus (=⑧-⑨)</b>	<b>308.2</b>
⑪	<b>Net surplus attributable to noncontrolling interests</b>	<b>6.3</b>
⑫	<b>Net surplus attributable to the parent company</b>	<b>301.9</b>

### Ⓕ Revenues from Insurance and Reinsurance

Comprising insurance and reinsurance premiums paid by policyholders.

### Ⓖ Investment Income

This includes interest, dividends and other income as well as gain on sales of securities.

### Ⓗ Benefits and Other Payments

These consist of payments related to insurance policies, including death and other claims, annuity payments, health and other benefits and surrender benefits.

### Ⓘ Investment Expenses

These are expenses including loss on sales of securities, loss on valuation of securities and others.

### Ⓙ Net Surplus

Extraordinary gains and losses as well as total income taxes have been added or subtracted to ordinary income.

\* Please see pages 122 and 160 for statements of income.

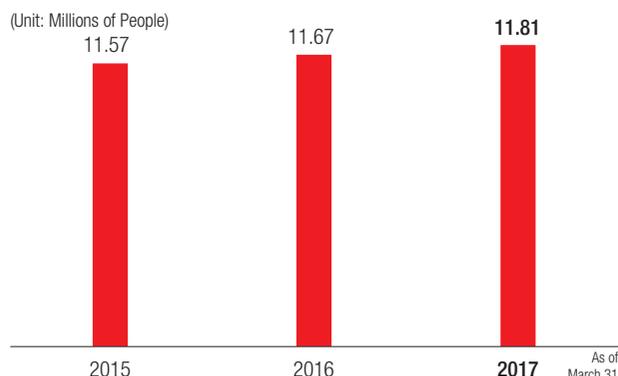
# Number of Customers (Number of Insured Persons, etc.) and Number of Corporate Clients

As of March 31, 2017 [Nonconsolidated]

**11.81 million people**

(Mitsui Life: **1.96** million people)

## Trends in Number of Customers (Number of Insured Persons, etc.) (Nonconsolidated)



We regard our over 10 million customers as the business foundation upon which our business rests, and bolstering that base is one of the goals in our three-year management plan.

As of March 31, 2017, there were 11.81 million customers (number of insured persons, etc.) on a nonconsolidated basis, an increase of 130,000 customers compared to the end of the previous fiscal year.

We will stay committed to expanding our customer base in order to keep fulfilling our mission as a life insurance company—to serve as a source of security and safety for our customers.

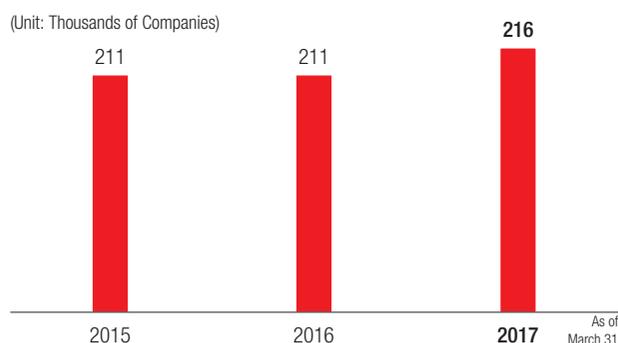
\* The number of customers (number of insured persons, etc.) is mainly the number of insured persons enrolled in individual insurance and individual annuities, plus customers who have deferred maturity benefits and other payments, plus customers who have enrolled in policies offered by Aioi Nissay Dowa Insurance Co., Ltd. through Nippon Life.

As of March 31, 2017 [Nonconsolidated]

**216 thousand companies**

(Mitsui Life: **54** thousand companies)

## Trends in Number of Corporate Clients (Nonconsolidated)



In addition to individual customers, we serve over 200 thousand corporate clients.

We will continue to work to build up and reinforce these relationships further from many angles, including financing and provision of corporate coverage to enhance company and employee benefits.

\* The number of corporate clients is the number of corporate policyholders of all types of policies plus the number of companies with which we have business, financing, and other relationships that do not pertain to insurance products.

# Total Payments of Death and Other Claims, Annuity Payments, and Health and Other Benefits

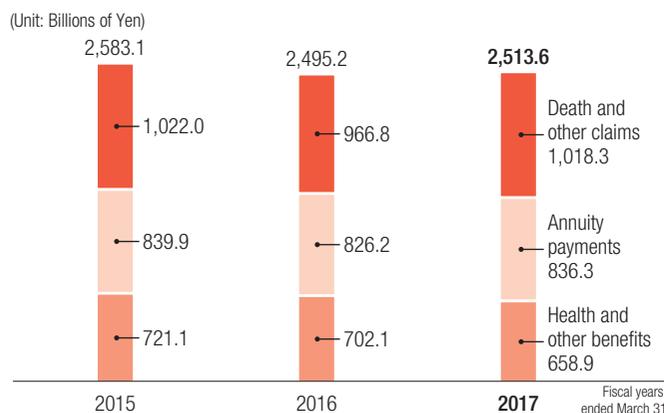
For the fiscal year ended March 31, 2017

[Nonconsolidated]

## ¥2,513.6 billion

(Total for individuals and companies)

### Total Payments of Death and Other Claims, Annuity Payments, and Health and Other Benefits (Nonconsolidated)



Total payments of death and other claims, annuity payments, and health and other benefits (total for individuals and companies) were ¥2,513.6 billion in the fiscal year ended March 31, 2017. Nippon Life is committed to continuing to make payments with speed and reliability.

## Customer Satisfaction Survey

For the fiscal year ended March 31, 2017

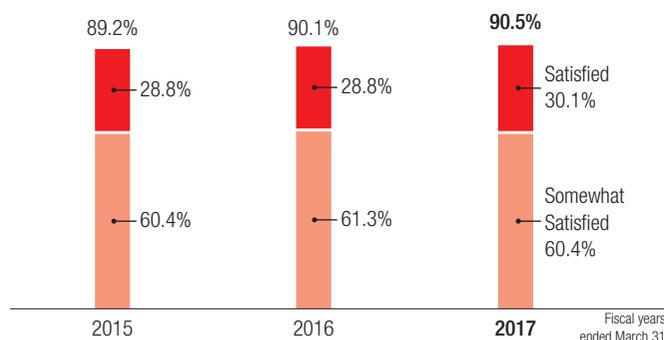
[Nonconsolidated]

Total of "Satisfied" and "Somewhat satisfied" responses

## 90.5%

Satisfied	30.1%
Somewhat Satisfied	60.4%

### Trends in Customer Satisfaction Survey (Nonconsolidated)



We conduct an annual survey of policyholders with the aim of evaluating our initiatives from the customer's point of view and using the feedback to improve our products and services. In the survey conducted in the fiscal year ended March 31, 2017, we received a customer satisfaction score (the ratio of customers who replied "satisfied" or "somewhat satisfied") of 90.5%.

#### Review of Fiscal 2016

- Implemented once per year (from September 1 to 25 in 2016)
- Survey target: Approximately 36,000 existing policyholders
- Number of valid responses: Nearly 8,000 existing 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."

## Number of Sales Representatives

As of March 31,  
2017

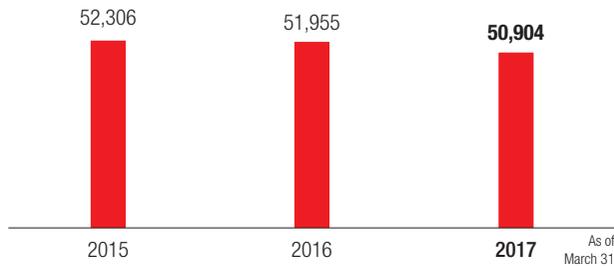
[Nonconsolidated]

**50,904 people**

(Mitsui Life: 7,106 people)

### Trends in Number of Sales Representatives (Nonconsolidated)

(Unit: People)



Our network of roughly 50,000 sales representatives is the channel through which we have built enduring relationships of trust with customers through face-to-face interactions.

Moving ahead, we will keep endeavoring to maintain and expand our sales representative organization to ensure consistently high-quality customer service.

\* From fiscal 2016, the number of part-time sales staff was moved from sales employee count to back office employee count. (Number of part-time sales staff as of March 31, 2016: 966)

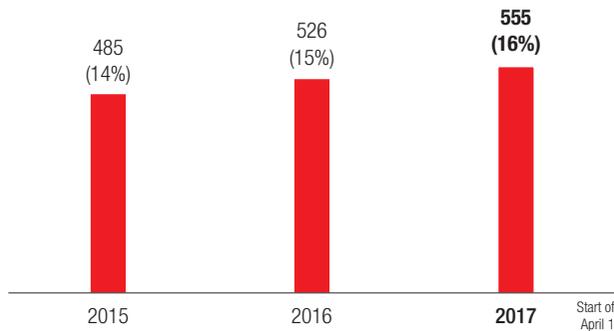
## Number of Female Managers

Start of April 1,  
2017

[Nonconsolidated]

**555**

### Trends in Number of Female Managers (Nonconsolidated)



\* Figures in parentheses denote the ratio of female managers.

Nippon Life will strive to bring the ratio of management positions filled by women to at least 20% by the start of fiscal 2020, aiming for 30% in the 2020s and training is being bolstered.

To ensure that women play an ongoing role in management, we are actively working to promote women to supervisory positions and develop future female leaders and a total of 555 female managers are now active across the organization.

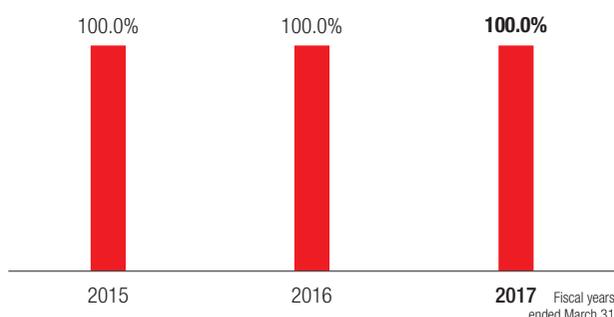
## Ratio of Male Employees Taking Childcare Leave

For the fiscal  
year ended  
March 31, 2017

[Nonconsolidated]

**100.0 %**

### Trends in Childcare Leave Acquisition Rate (Nonconsolidated)



Since fiscal 2013, we have set a Companywide target of 100% of male employees taking childcare leave.

All 348 male employees eligible to take childcare leave in fiscal 2017 did so, marking the fourth consecutive year of a 100% acquisition rate since we launched this initiative.

Over the past four years, 1,200 male employees have taken childcare leave to date. This is equal to approximately 16% of Nippon Life's total male workforce.

\* Nippon Life's childcare leave program: Childcare leave may be taken by employees from the day after a child reaches 18 months of age to the following March 31.