

February, 14 2017
Nippon Life Insurance Company

Notice Regarding Amendment of the Consolidated Solvency Margin Ratio

Nippon Life Insurance Company has discovered an error in the consolidated solvency margin ratio shown in the press release dated June 21, 2016, “Financial Results for the Fiscal Year Ended March 31, 2016,” the press release dated September 9, 2016, “Financial Results for the Three Months Ended June 30, 2016,” and the press release dated December 20, 2016, “Financial Results for the Six Months Ended September 30, 2016.”

The amendments are as follows: the consolidated solvency margin ratio as of March 31, 2016 and June 30, 2016 have been amended from 924.4% to 922.7%, and 960.4% to 959.9%, respectively.

We respectfully tender our apologies and amend the data as shown on the separate attachment.

Amended Sections *Amended sections are underlined.

○ Financial Results for the Fiscal Year Ended March 31, 2016 p. 55

15. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

Prior to amendment

	As of March 31, 2016	As of March 31, 2015
Total assets	706,079	626,486
Solvency margin ratio	<u>924.4%</u>	943.3%

After amendment

	As of March 31, 2016	As of March 31, 2015
Total assets	706,079	626,486
Solvency margin ratio	<u>922.7%</u>	943.3%

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(10) Consolidated Solvency Margin Ratio

Prior to amendment

(Million Yen)

	As of March 31, 2016	As of March 31, 2015
Solvency margin gross amount (A):	12,479,088	13,303,975
Foundation funds (<i>kikin</i>) and other reserve funds:	4,390,194	3,876,544
Foundation funds and others	1,730,592	1,559,750
Reserve for price fluctuations in investments in securities	963,730	778,723
Contingency reserve	1,425,637	1,250,248
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	3,441	4,139
Others	266,792	283,681
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5,730,365	7,594,244
Net unrealized gains on real estate × 85%	131,422	73,241
Net unrecognized actuarial differences and unrecognized prior service costs	(41,133)	(42,670)
Excess of continued Zillmerized reserve	1,604,361	1,509,979
Qualifying subordinated debt	800,825	399,590
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(205,561)	(157,665)
Others	68,614	50,711
Total amount of risk (B):	<u>2,699,833</u>	2,820,475
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$		
Underwriting risk (R ₁)	145,594	127,656
General underwriting risk (R ₅)	—	—
Huge disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	87,509	78,260
Underwriting risk related to small amount and short-term insurance providers (R ₉)	—	—
Anticipated yield risk (R ₂)	446,886	386,107
Minimum guarantee risk (R ₇)	16,854	5,820
Investment risk (R ₃)	<u>2,168,484</u>	2,361,668
Business management risk (R ₄)	<u>57,306</u>	59,190
Solvency margin ratio		
(A)		
(1 / 2) × (B)	<u>924.4%</u>	943.3%

After amendment

(Million Yen)

	As of March 31, 2016	As of March 31, 2015
Solvency margin gross amount (A):	12,479,088	13,303,975
Foundation funds (<i>kikin</i>) and other reserve funds:	4,390,194	3,876,544
Foundation funds and others	1,730,592	1,559,750
Reserve for price fluctuations in investments in securities	963,730	778,723
Contingency reserve	1,425,637	1,250,248
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	3,441	4,139
Others	266,792	283,681
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5,730,365	7,594,244
Net unrealized gains on real estate × 85%	131,422	73,241
Net unrecognized actuarial differences and unrecognized prior service costs	(41,133)	(42,670)
Excess of continued Zillmerized reserve	1,604,361	1,509,979
Qualifying subordinated debt	800,825	399,590
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(205,561)	(157,665)
Others	68,614	50,711
Total amount of risk (B):	<u>2,704,855</u>	2,820,475
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$		
Underwriting risk (R ₁)	145,594	127,656
General underwriting risk (R ₅)	—	—
Huge disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	87,509	78,260
Underwriting risk related to small amount and short-term insurance providers (R ₉)	—	—
Anticipated yield risk (R ₂)	446,886	386,107
Minimum guarantee risk (R ₇)	16,854	5,820
Investment risk (R ₃)	<u>2,173,426</u>	2,361,668
Business management risk (R ₄)	<u>57,405</u>	59,190
Solvency margin ratio		
(A)		
$\frac{\text{(A)}}{(1/2) \times \text{(B)}} \times 100$	<u>922.7%</u>	943.3%

○ Financial Results for the Three Months Ended June 30, 2016 p. 15

8. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

Prior to amendment

	As of June 30, 2016	As of March 31, 2016
Total assets	702,427	706,079
Solvency margin ratio	<u>960.4%</u>	<u>924.4%</u>

After amendment

	As of June 30, 2016	As of March 31, 2016
Total assets	702,427	706,079
Solvency margin ratio	<u>959.9%</u>	<u>922.7%</u>

○ Financial Results for the Three Months Ended June 30, 2016 p. 26

(6) Consolidated Solvency Margin Ratio

Prior to amendment

(Million Yen)

	As of June 30, 2016	As of March 31, 2016
Solvency margin gross amount (A):	12,158,492	12,479,088
Foundation funds (<i>kikin</i>) and other reserve funds:	4,636,000	4,390,194
Foundation funds and others	1,869,210	1,730,592
Reserve for price fluctuations in investments in securities	1,005,298	963,730
Contingency reserve	1,491,295	1,425,637
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	3,314	3,441
Others	266,881	266,792
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5,119,991	5,730,365
Net unrealized gains on real estate × 85%	137,686	131,422
Total amount of unrecognized actuarial gains/losses and unrecognized prior service cost	(38,626)	(41,133)
Excess of continued Zillmerized reserve	1,591,506	1,604,361
Qualifying subordinated debt	900,825	800,825
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(198,276)	(205,561)
Others	9,384	68,614
Total amount of risk (B):	<u>2,531,896</u>	<u>2,699,833</u>
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		
Underwriting risk (R ₁)	144,887	145,594
General underwriting risk (R ₅)	—	—
Huge disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	87,793	87,509
Underwriting risk related to small amount and short-term insurance providers (R ₉)	—	—
Anticipated yield risk (R ₂)	446,052	446,886
Minimum guarantee risk (R ₇)	15,858	16,854
Investment risk (R ₃)	<u>2,005,044</u>	<u>2,168,484</u>
Business management risk (R ₄)	<u>53,992</u>	<u>57,306</u>
Solvency margin ratio (A) ————— × 100 (1/2) × (B)	<u>960.4%</u>	<u>924.4%</u>

After amendment

(Million Yen)

	As of June 30, 2016	As of March 31, 2016
Solvency margin gross amount (A):	12,158,492	12,479,088
Foundation funds (<i>kikin</i>) and other reserve funds:	4,636,000	4,390,194
Foundation funds and others	1,869,210	1,730,592
Reserve for price fluctuations in investments in securities	1,005,298	963,730
Contingency reserve	1,491,295	1,425,637
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	3,314	3,441
Others	266,881	266,792
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5,119,991	5,730,365
Net unrealized gains on real estate × 85%	137,686	131,422
Total amount of unrecognized actuarial gains/losses and unrecognized prior service cost	(38,626)	(41,133)
Excess of continued Zillmerized reserve	1,591,506	1,604,361
Qualifying subordinated debt	900,825	800,825
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(198,276)	(205,561)
Others	9,384	68,614
Total amount of risk (B):	<u>2,533,167</u>	<u>2,704,855</u>
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		
Underwriting risk (R ₁)	144,887	145,594
General underwriting risk (R ₅)	—	—
Huge disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	87,793	87,509
Underwriting risk related to small amount and short-term insurance providers (R ₉)	—	—
Anticipated yield risk (R ₂)	446,052	446,886
Minimum guarantee risk (R ₇)	15,858	16,854
Investment risk (R ₃)	<u>2,006,296</u>	<u>2,173,426</u>
Business management risk (R ₄)	<u>54,017</u>	<u>57,405</u>
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	<u>959.9%</u>	<u>922.7%</u>

○ Financial Results for the Six Months Ended September 30, 2016 p. 40

13. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

Prior to amendment

	As of September 30, 2016	As of March 31, 2016
Total assets	704,303	706,079
Solvency margin ratio	988.5%	<u>924.4%</u>

After amendment

	As of September 30, 2016	As of March 31, 2016
Total assets	704,303	706,079
Solvency margin ratio	988.5%	<u>922.7%</u>

○ Financial Results for the Six Months Ended September 30, 2016 p. 69

(8) Consolidated Solvency Margin Ratio

Prior to amendment

(Million Yen)

	As of June 30, 2016	As of March 31, 2016
Solvency margin gross amount (A):	12,287,080	12,479,088
Foundation funds (<i>kikin</i>) and other reserve funds:	4,799,473	4,390,194
Foundation funds and others	1,873,516	1,730,592
Reserve for price fluctuations in investments in securities	1,091,466	963,730
Contingency reserve	1,564,380	1,425,637
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	3,139	3,441
Others	266,971	266,792
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5,132,252	5,730,365
Net unrealized gains on real estate × 85%	136,065	131,422
Total amount of unrecognized actuarial gains/losses and unrecognized prior service cost	(36,498)	(41,133)
Excess of continued Zillmerized reserve	1,580,508	1,604,361
Qualifying subordinated debt	930,825	800,825
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(203,207)	(205,561)
Others	(52,338)	68,614
Total amount of risk (B):	2,485,934	<u>2,699,833</u>
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		
Underwriting risk (R ₁)	144,249	145,594
General underwriting risk (R ₅)	—	—
Huge disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	88,071	87,509
Underwriting risk related to small amount and short-term insurance providers (R ₉)	—	—
Anticipated yield risk (R ₂)	445,195	446,886
Minimum guarantee risk (R ₇)	15,242	16,854
Investment risk (R ₃)	1,961,296	<u>2,168,484</u>
Business management risk (R ₄)	53,081	<u>57,306</u>
Solvency margin ratio (A) ————— × 100 (1 / 2) × (B)	988.5%	<u>924.4%</u>

After amendment

(Million Yen)

	As of June 30, 2016	As of March 31, 2016
Solvency margin gross amount (A):	12,287,080	12,479,088
Foundation funds (<i>kikin</i>) and other reserve funds:	4,799,473	4,390,194
Foundation funds and others	1,873,516	1,730,592
Reserve for price fluctuations in investments in securities	1,091,466	963,730
Contingency reserve	1,564,380	1,425,637
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	3,139	3,441
Others	266,971	266,792
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5,132,252	5,730,365
Net unrealized gains on real estate × 85%	136,065	131,422
Total amount of unrecognized actuarial gains/losses and unrecognized prior service cost	(36,498)	(41,133)
Excess of continued Zillmerized reserve	1,580,508	1,604,361
Qualifying subordinated debt	930,825	800,825
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(203,207)	(205,561)
Others	(52,338)	68,614
Total amount of risk (B): $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$	2,485,934	<u>2,704,855</u>
Underwriting risk (R ₁)	144,249	145,594
General underwriting risk (R ₅)	—	—
Huge disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	88,071	87,509
Underwriting risk related to small amount and short-term insurance providers (R ₉)	—	—
Anticipated yield risk (R ₂)	445,195	446,886
Minimum guarantee risk (R ₇)	15,242	16,854
Investment risk (R ₃)	1,961,296	<u>2,173,426</u>
Business management risk (R ₄)	53,081	<u>57,405</u>
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	988.5%	<u>922.7%</u>