

**Announcement of the Mid-term Management Plan**  
**[Fiscal 2017-2020 (Apr.2017-Mar.2021)]**

- Working to be the leading company in the time of 100-year life -

Nippon Life Insurance Company (President: Yoshinobu Tsutsui) hereby announces its formulation of Mid-term Management Plan [Fiscal 2017-2020 (Apr.2017-Mar.2021)] , which will start from April 2017.

# Nippon Life Mid-term Management Plan [Fiscal 2017-2020 (Apr.2017-Mar.2021)]

**Working to be the leading company in the time of 100-year life**

Stay Closest to “Your Thoughts for Beloved Ones”



日本生命

■ Review of the Current Three-Year Management Plan (Fiscal 2015-2017)	・・・P 2
■ Background of Renewal of the Current Mid-term Management Plan	・・・P 3
■ New Mid-term Management Plan	・・・P 4
○ Management Strategy	
1 . Domestic Business	・・・P 6
2 . Group Business	・・・P 8
3 . Investment Management	
4 . ERM	・・・P 9
5 . Advanced IT	・・・P 1 0
6 . Human Resources Development	・・・P 1 1
○ Sound Business Operation	・・・P 1 2
○ Initiatives for CSR Priorities	・・・P 1 3
○ Ideal Relationship with Our Customers	・・・P 1 4

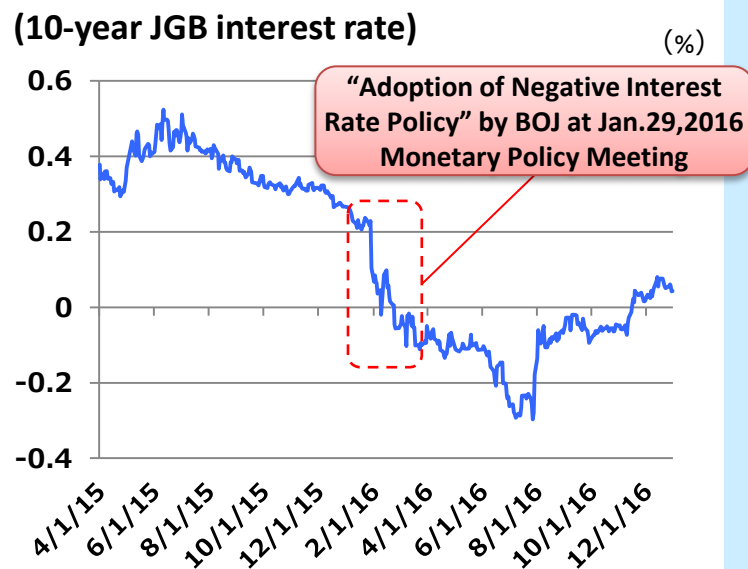
- We will achieve most of the quantitative management goals set under the current Three-Year Management Plan ahead of schedule.
- We've also successfully expanded business field by the acquisition of Mitsui Life, etc.

Management goals		Progress status	
Growth strategies	Expansion of the domestic life insurance business	<b>No.1 share of new policies in Japan</b> (Number of policies, amount of coverage, annualized premiums)	<b>FY2015: No.1 in all items</b> <b>Apr-Dec, 2016: No.1 in the number of new policies and annualized premiums on new policies</b>
		<b>6% growth of annualized premiums in force</b> (March 31, 2015 → March 31, 2018)	<b>5.3% growth</b> (As of December 31, 2016)
		<b>Number of policyholders; 11.7 million</b> (March 31, 2018)	<b>11.74 million</b> (As of December 31, 2016)
	Strengthening of group business	<b>Net income by group companies; ¥30 billion</b> (Fiscal 2017)	<b>¥26.3 billion</b> (April - December, 2016)
		Will achieve the goals a year ahead of schedule	
		Expansion of the business field	
Establishment of the business base		<b>Capital + ¥1 trillion</b> (March 31, 2015 → March 31, 2018)	<b>+ ¥1.16 trillion</b> (As of December 31, 2016)
		<b>Reduce fixed costs by ¥17 billion</b> (Fiscal 2015 → Fiscal 2018)	<b>Remain on a pace to achieve the goal</b> (Expect to reduce ¥10 billion in fiscal 2016)

Would largely achieve the goals ahead of schedule

- We operate our business quickly and flexibly in order to develop businesses and construct strategies which contribute to sustainable growth even under historical low interest rate environment and long-term changes in the external environment.

## Major impacts of Negative Interest Rate Policy



### Insurance products

### Investment management

- Gradual reductions of the assumed interest rate for single-premium products (or suspension of sales)
- Revision of insurance premium rate for some individual insurance products and annuities (which was decided after careful consideration of their impacts on profit and sales), in light of the scheduled reduction of the standard interest rate in April 2017

⇒ Flexible strategies in a wide range of business areas including sales and investment management are required

## Long-term changes in the external environment

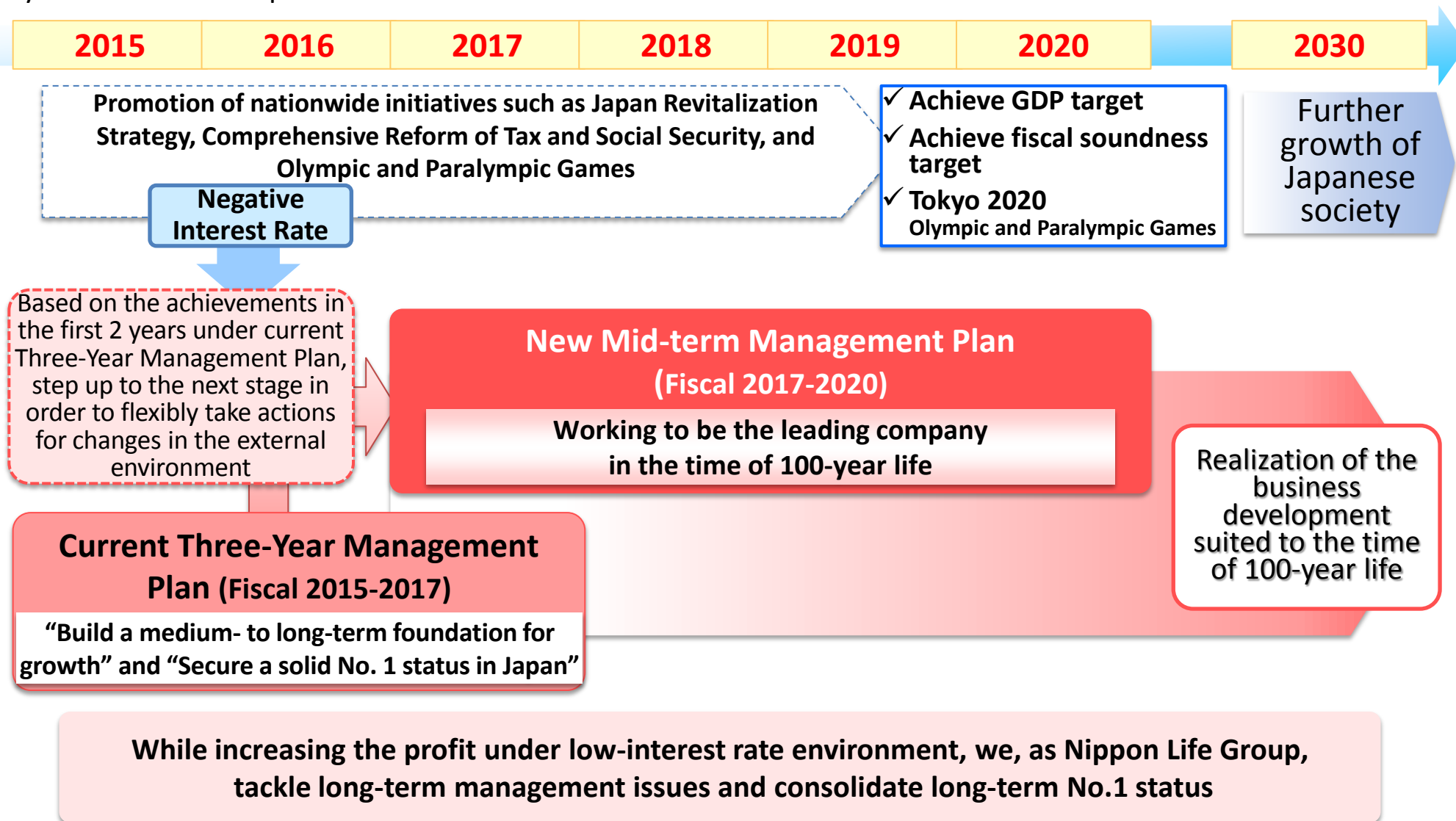
The advent of a full-fledged declining population society where even the older population decline

Rapid technological innovation which revolutionizes business model [Industry 4.0]

Slow economic growth due to the declining labor force, etc.

⇒ Need to fulfill social responsibility more than ever as a leading life insurance company

- Based on the achievements under the current Three-Year Management Plan, in order to build a foundation for long-term growth, we initiate the New Mid-term Management Plan targeting 2020 while integrating the final year of the current plan into it.



- Under the New Mid-term Management Plan, we develop industry-leading growth strategies and build business base supporting the strategies in consideration of “Keeping No.1 status for a long time”.

## Working to be the leading company in the time of 100-year life

### Growth strategies

① **Increase profit under ultra low-interest rate environment**

② **Expand a social role as Nippon Life Group**

③ **Steadily expand profit of group business**

- Develop products as balancing profitability with meeting customer needs
- Develop business beyond boundaries of “Insurance”
- Enhance “Delivering capability” of insurance products and services
- Industry leading customer service (Seniors, Regional network)
- Develop group businesses in order to contribute to the future growth
- Enhance investment management capabilities for securing stable profit
- Improve efficiency by reviewing business structure



**Number of policyholders - 14 million** (March 31, 2021)  
**8% growth of Annualized premiums in force** (Fiscal 2016→2020)  
**Net income by Group companies - ¥70 billion** (March 31, 2021)

Domestic  
life insurance

**Establish  
industry leading  
business platform**

**ERM**

**Advanced IT  
utilization**

**Human resource  
development**



**Accumulate capital steadily to underpin growth strategies**  
**- ¥6.5 trillion** (March 31, 2021)

- We, as Nippon Life Group, develop the products and services to meet customers' needs even under ultra low-interest rate environment, and deliver the value of "Insurance + $\alpha$ " to work on social issues which cannot be solved by simple life insurance products.

## Evolution of the value delivering to the customers

### Product development

- Accommodate diversified asset management needs under ultra-low interest rate environment
- Accommodate various "living" needs
- Enhance the product line for corporate managers and employees to improve our corporate support function

New product for managements will be launched on April 2<sup>nd</sup>

**プラチナフェニックス**

ニッセイ傷害保障重点期間設定型長期定期保険

ニッセイ みらいのカタチ  
継続サポート3大疾病保障保険付プラン



**ロングドリーム GOLD**  
ニッセイ指定通算増殖立利率変動型一時払終身保険(保ドル建・ユーロ建・豪ドル建)

シュシュ **ChouChou!**  
ニッセイ 出産サポート給付金付3大疾病保障保険

ニッセイ長寿生存保障(地銀約款適用型)  
**GranAge** エイジ

**デュアルドリーム**  
ニッセイ指定通算増殖年金資産増設部分付長寿年金保障(保ドル建・豪ドル建)

### Products of Mitsui Life

**Dream Flight**

よりそう 保険。  
**大樹** Taiju Select  
セレクト

**Dream Cruise Wide**

### Wide range of supports

- Develop the products in order to meet customers' needs as Nippon Life Group
- Develop the services beyond boundaries of "Insurance" through opening nursery facilities by teaming up with Nichii Gakkan
- Enhancing "Zutto Motto Service" to encourage customers' health promotion
- Promote "Gran Age project" to support the time of 100-year life

**Total 100 places in all prefectures (Fiscal 2018)**



**Working on issues such as "Child care", "Healthcare" and "Aging society"**



- We increase sales even under ultra low-interest rate environment by developing distribution channels tailored to customers' lifestyle, and expand "customer service" suited to regional characteristics and social environment.

### "Distribution channel development" tailored to lifestyle

**Sales  
representatives**  
〔 Exclusive 〕

- Increase the number of sales representatives and enhance consultation skills of them who provide "Insurance +α"
  - Create comfortable workplace environment including renovation of sales offices
  - Allow shorter working hours tailored to diverse lifestyle (Min 3.5 hours/day)
- Support various management needs of companies by increasing corporate marketing staff

➡ **Consolidate No.1 status in the areas where we have advantages and/or know-how**

**Agencies  
Financial  
institutions**

- Accelerate business development collaborating with the distribution channels
  - Deepen the collaboration with subsidiary agencies and alliance partners
  - Increase sales at major distribution channels such as banks, etc.



➡ **Develop our presence in the areas where we have low market share**

### "Customer service" fitted with the times

- "Simplify" administrative procedures and services so that customers can go through procedures "at anytime" and "from anywhere" in consideration of the regional characteristics and diversifying customers' lifestyle
- Develop No.1 senior service in industry to promote greater customer satisfaction

➡ **No.1 customer service in industry**

**Strengthen regional network**

- We strengthen profit base through group business and investment management in order to fulfill our long-term responsibility and return the profit to policyholders.

## Group business development

- Based on the achievements under the current Three-Year Management Plan, accelerate “growth of existing businesses” and “M&A” in order to make progress on our global profit diversification



**Net income by Group companies  
¥70 Billion (Fiscal 2020)**

## Investment management strategy

- Secure long-term stable investment yield and strengthen risk-response capabilities through globally diversifying investments
  - Enhancement of investment and finance in growing fields, such as overseas project finance
  - Further enhancement of ESG investment and finance through initiatives with the United Nations Principles for Responsible Investment

**¥1.5 trillion of investment and finance in growing fields  
including ¥200 billion of investment into ESG bond, etc. (FY2017-FY2020)**

- Accelerate the development of human resource, organizational structure and system infrastructure on a group-wide basis

- ERM management is the core of our strategies in order to grow steadily even under ultra low-interest-rate environment.

### Group ERM

- Introduction of the group-based risk appetite framework
- Turn the PDCA cycle by each insurance subsidiary and by each business section, using economic value-based indicators
  - ⇒ Reinforce economic value-based profitability, efficiency, and financial soundness management



**Attain financial soundness that ranks among top-tier insurance companies in the world (the medium to long-term goal)**

### Risk taking and control

- Reinforce measures to improve risk-return efficiency in fields of insurance sales, investment management, and corporate acquisitions
  - Develop and sell products as balancing profitability with meeting customer needs
  - Control investment risk to secure profit under the situation where low-interest-rate environment continues
  - Continue strategic corporate acquisitions to attain net income by Group companies of ¥100 billion to diversify earnings sources

### Strengthen capital

- Accumulate capital including external fundraising proceeds, considering long-term stable policyholder dividends, so that we can secure the medium to long-term goal of financial soundness level



**Target capital level ¥6.5 trillion (March 31, 2021)**

- We lead the insurance industry by developing new businesses and transforming operational management, making the most of advanced IT.

### Enhancing existing measures

#### <Efficient operational management>

- Enhance automation of administrative processes through RPA(Robotic Process Automation) technique
- Improve efficiency in administrative processes through image-recognition technique

#### <Accumulation of knowledge about advanced technique>

- Accumulate and utilize knowledge about advanced IT by establishing exclusively devoting organizations and by sending a team to Silicon Valley
- Utilizing knowledge and solutions outside the company through further advancement of open innovation

### Further utilizing advanced IT

- Applying advanced IT speedily to the areas such as digital marketing and underwriting where utilization of IT is expected to increase along with technical innovation

#### <Themes under consideration>

- Development of new insurance sales models through digital data analysis
- Applying AI to the underwriting and payment assessment areas
- Upgrade of investment judgement by utilizing big data analysis

- We construct an organization that supports business development in the future and lead the insurance industry by encouraging various business activities conducted by diverse human resources.

## Work style reform

- Support to achieve better work-life balance
  - Develop skills of individual employees and improve operational efficiency by putting emphasis on “speed” and “communication”
  - Improvement of working environment including upgrade of the system infrastructure

## Human resources development

- Development of professionals who can lead business expansion initiatives through systematic capability development training
- Customized human resources development program and close follow-up for female employees in order to attain our target, “bring the proportion of female managers to at least 20% by April 2020, aiming for 30% in the 2020s”
- Development of systems so that senior employees can play more active roles
- Improvement of fundamental capability of all employees through enhancing cross-job category primary training program

## Raising self-awareness of each employee

- Raise high self-awareness about better health as an organization that operates life insurance business
- Continue to engage in “Action CSR-V: Social Contributions by 70,000 People” under the philosophy of “co-existence, co-prosperity and mutualism”

- We practice sound business operation that is the basic premise of the business continuity.

## Customer-oriented management

- Further enhance customer-oriented operational management not only for insurance sales but also for our whole business by establishing "policy of customer-oriented operational management"
- Enhance the measures to improve our service so that we can make the most of "Customer Feedback"
- Encourage employees to get consumer advisory certification

## Enhancing the vitality of employees and organization

- Maintain employees' good physical/mental health and help employees' continuous growth by managing employees' working hours properly
- Realize an organization with full of energy by respecting cultural and value diversity and by fostering an atmosphere that helps motivate each other

## Compliance / Risk management

- Promote the widespread understanding of our compliance principles
- Enhance forward-looking risk management that considers characteristics of each business line

## Ensuring the transparency of management

- Continuously improve group-based governance system in consideration of the expansion of our group business
  - The Outside Directors Committee deliberates on important management matters
  - Disclose business topics and financial/non-financial information in a timely and appropriate manner

## Internal audit

- Strengthen internal audit that encourages sound business operation

- We've designated CSR Priorities in order to respond to stakeholders' expectations and continue working together with society. New Mid-term Management Plan has taken into account these CSR Priorities.

Field	CSR Priorities	Main initiatives for CSR Priorities in New Mid-term Plan
Customers	<ul style="list-style-type: none"> <li>■ Provide value to society through products and services</li> <li>■ Improve customer satisfaction and enhance the provision of information</li> <li>■ Provide universal services</li> <li>■ Contribute to shaping sustainable society through investment management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establishment of "Policy of customer-oriented operational management" and further enhancement of related initiatives</li> <li>✓ Providing products and services that help solve social issues</li> <li>✓ Growth of investee companies through initiatives based on Japan's Stewardship Code</li> <li>✓ Enhancement of ESG investment and finance through initiatives with the United Nations Principles for Responsible Investment ⇒ Investment of ¥200 billion on ESG bonds, etc. (by the end of fiscal 2020)</li> </ul>
Communities and society	<ul style="list-style-type: none"> <li>■ Provide insurance services suited to every region</li> <li>■ Build cooperative relationships and contribute to the development of communities and society</li> </ul>	<ul style="list-style-type: none"> <li>✓ Providing services that are customized to regional characteristics and lifestyles</li> <li>✓ Action CSR-V: Social Contributions by 70,000 People ⇒ Participation in social contribution activities by all of our officers and employees</li> </ul>
Employees	<ul style="list-style-type: none"> <li>■ Recruitment, development and retention of talented human resources</li> <li>■ Promotion of diversity</li> <li>■ Promotion of work life balance</li> </ul>	<ul style="list-style-type: none"> <li>✓ Actively promoting women to managerial positions ⇒ Bring the proportion of female managers to at least 20% by April 2020</li> <li>✓ Fostering a working environment where employees understand and accept various working styles ⇒ Encouraging male employees to take paternity leave</li> </ul>
Compliance / Risk management	<ul style="list-style-type: none"> <li>■ Strengthen the compliance system</li> <li>■ Upgrade the approach to Enterprise Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Planning and practice measures for compliance, and teaching and entrenching compliance principles</li> <li>✓ Introduction of group-based risk appetite framework</li> <li>✓ Accumulation of capital so that we can secure the medium- to long-term target of financial soundness level ⇒ Target capital level ¥6.5 trillion (March 31, 2021)</li> </ul>
Corporate governance	<ul style="list-style-type: none"> <li>■ Long-term stable business operation through the mutual company structure</li> <li>■ Proper distribution of economic value</li> <li>■ Strengthen corporate governance</li> <li>■ Integrate CSR issues in business operations</li> <li>■ Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Continuance of stable annual policyholder dividends</li> <li>✓ Deliberation on group business management at Group Business Management Promotion Committee (newly established)</li> <li>✓ Reflection of Important CSR Priorities in management</li> </ul>

- “To be the most familiar and approachable life insurance company”, Nippon Life Group continues to support our customers living in this new time of 100-year life.

## Our customers living in this new time of 100-year life



**“To be the most familiar and approachable life insurance company”**

Contribution to Olympics and Paralympics  
as a Tokyo 2020 Gold Partner

**2020**

Establishment of group management system  
leading the time of 100-year life

※Nippon Life is a Tokyo 2020 Gold Partner, in the category of “life insurance”

**Social contribution  
activities**

Contribution to the  
environment,  
communities and  
society

**Advertisement**

Communications  
sharing thoughts  
and emotions

**Customer approach**

Constructing  
customer-oriented  
distribution/service  
network

**Insurance products  
and related services**

Creating effective  
product / service  
lineup as a group

**“Insurance +α”**

Providing the value  
needed for society

**PR/IR**

Appropriate  
information  
disclosure and  
compliance

Stay Closest to  
“Your Thoughts for Beloved Ones”



**日本生命**