



Future Sales Strategy

The Prudential Life Insurance Co., Ltd.

June 22, 2010





- 1. Environment of Life Insurance in Japan***
- 2. Summary of Prudential***
- 3. Sales Strategy of Prudential***
- 4. Performance of Prudential***
- 5. Life Planner System***



1. Environment of Life Insurance in Japan

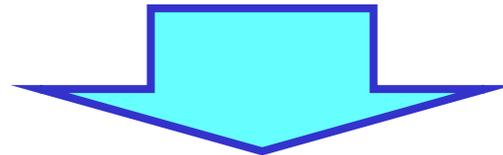


Change in Japanese social structure



Super-Aging Society

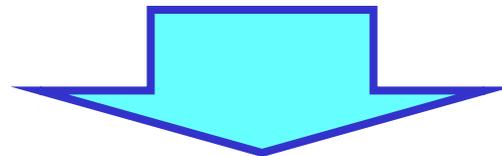
Drop in income due to economic stagnation



Therefore

Growing unrest over the future

Acceleration of the shift away from life insurance



On the other hand

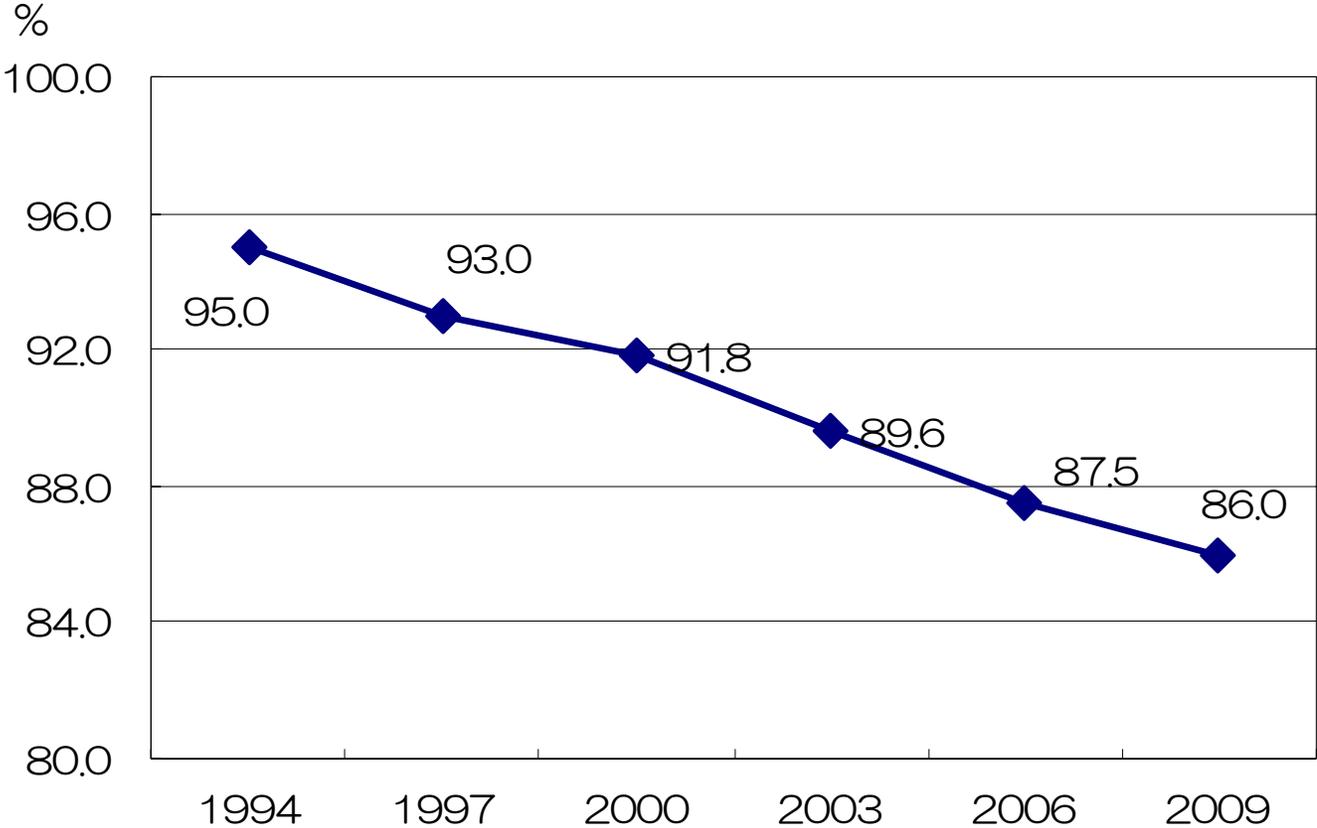
Necessity of death protection remains unchanged

Result of Survey on Life Insurance (1/4)



Trends of household insurance coverage

<2009 "National Survey on Life Insurance" by JILI>



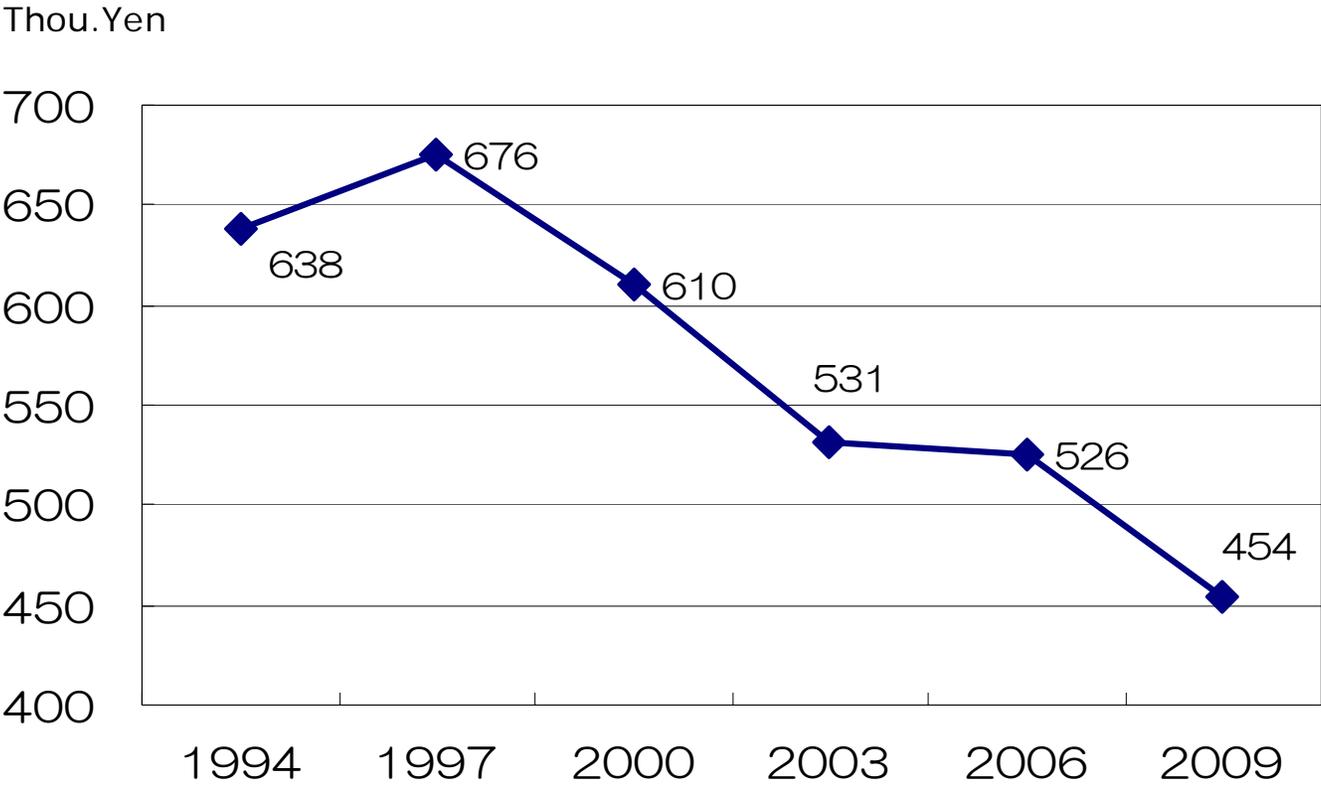
Hit a peak in 1994 and has decreased to 86% in 2009

Result of Survey on Life Insurance (2/4)



Trends of premium paid by household per annum

<2009 "National Survey on Life Insurance" by JILI>



Household AP has decreased to 455,000yen



Result of Survey on Life Insurance (3/4)



Channels for purchased policy

<2009 "National Survey on Life Insurance" by JILI>

| | 1997 | 2000 | 2003 | 2006 | 2009 |
|--|------|------|------|------|------|
| Through sales staff of insurers | 88.5 | 77.6 | 71.8 | 66.3 | 68.1 |
| Through internet | | 0.2 | 0.8 | 1.8 | 2.9 |
| Through TV, newspapers, magazines | | 3.1 | 1.9 | 7.3 | 5.7 |
| At window or through sales staff of banks, securities corporations, post offices | 1.2 | 1.3 | 1.7 | 3.3 | 5.5 |
| At window or through sales staff of insurance brokers | 4 | 8.8 | 6.7 | 7 | 6.4 |
| At work or through unions | | | 6.4 | 5.2 | 3 |

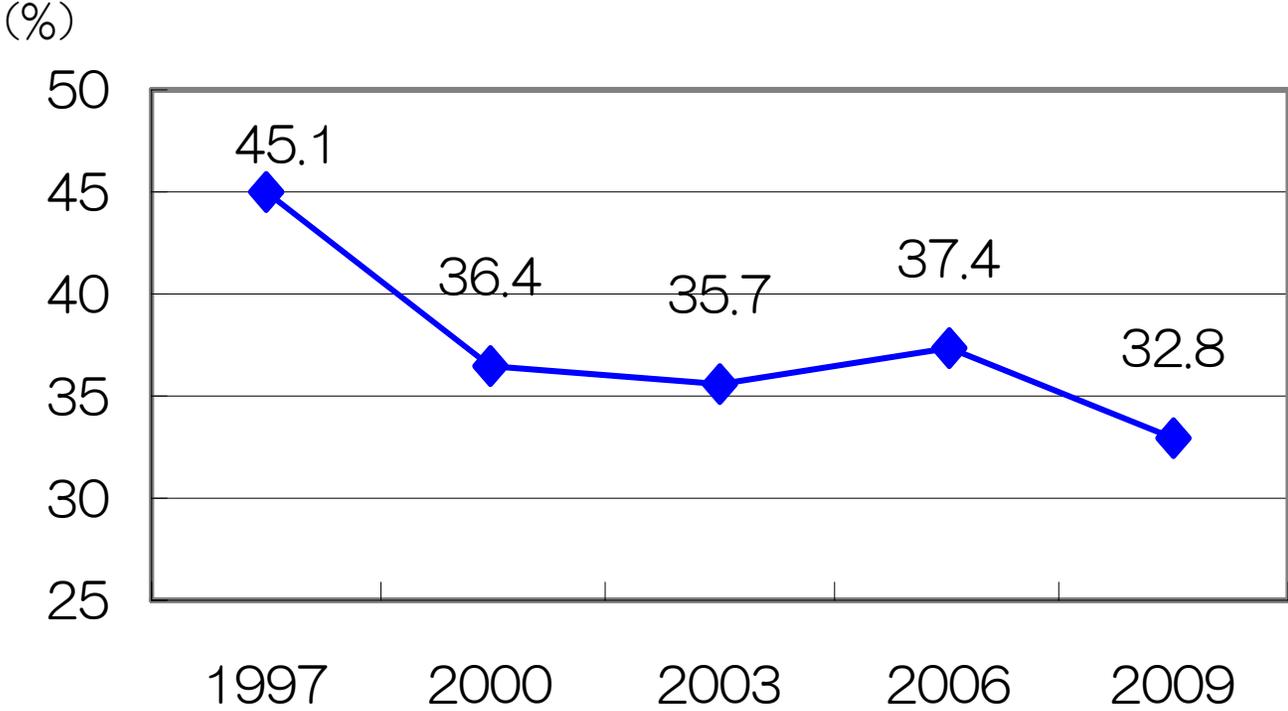
70% of the consumers have purchased policies through sales staff of insurers, however, channels have become diversified such as sale through internet, at banks and brokers.

Result of Survey on Life Insurance (4/4)



Satisfaction with current coverage

<2009 "National Survey on Life Insurance" by JILI>



Only 32.8% are satisfied with current coverage

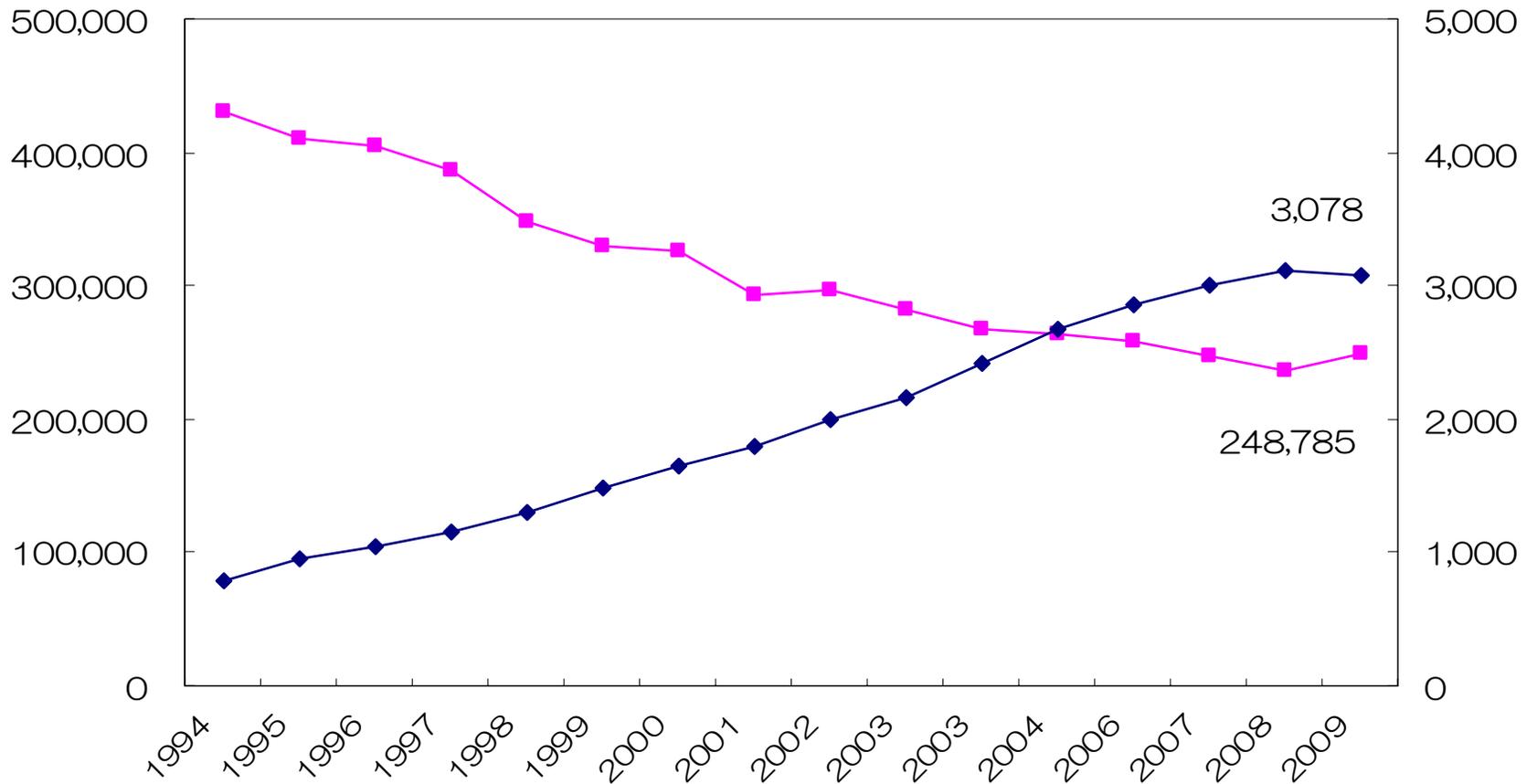


- ❑ Decrease of sales staff
Revision of comission for sales staff, prevention of turnover
- ❑ Diversity of sales channels
Shops with customers coming in, direct selling at banks and through Internet, professional brokers
- ❑ Conversion from death protection to protection for living
e.g. expansion of annuity & medical insurance
- ❑ Withdrawal of variable annuity by Hartford, ING, PCA etc.

Trends of Sales Staff



- No. of sales staff (all insurers)
- ◆ No. of sales staff (Prudential Life Planners)





2. Summary of Prudential

ALICO (1972), AFLAC (1974)
SONY-PRUDENTIAL (1981)

1987 Establishment of Prudential

Life Planner System

Needs-based selling

College graduates, Male,

with no experience of working at an insurer

“From today, life insurance changes. Life Planners change it.”



Core Values

- Worthy of Trust
- Customer Focused
- Respect for Each Other
- Winning



Vision

Prudential of Japan strives to revolutionize the way life insurance business is conducted in Japan and to become the most admired life insurance partner to its customers.





Mission

Our mission is to provide the highest quality service and to deliver to each and every customer financial security and peace of mind.





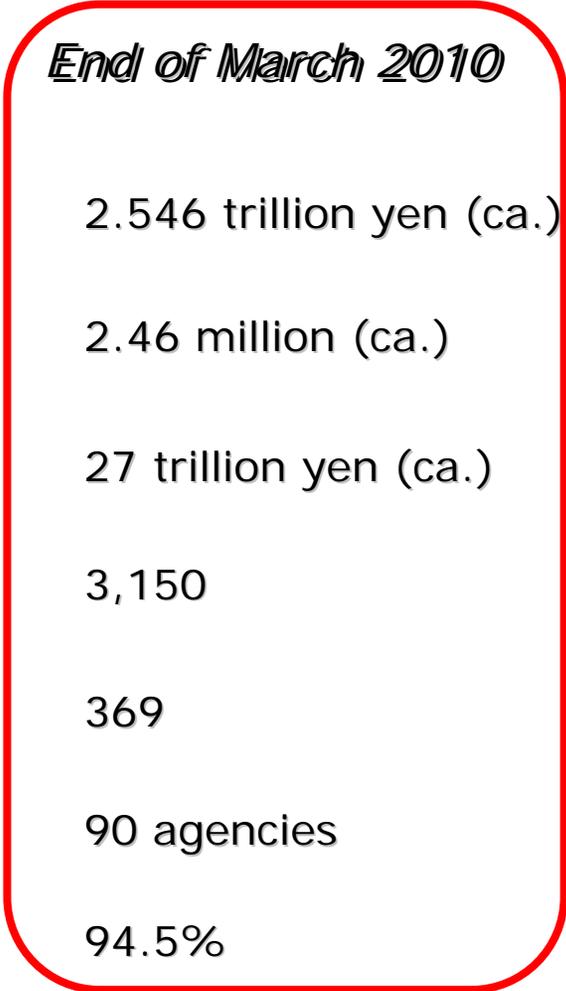
Strategy

Prudential of Japan strives to foster professional life planners, promote needs-based sales on an individual customer basis, and provide personal service throughout the customer's lifetime until the time when benefits are delivered.

Performance of Prudential



| | <i>End of March 2010</i> | <i>End of March 1997</i> (In business for 10 years) |
|----------------------------------|--------------------------|--|
| Total Asset | 2.546 trillion yen (ca.) | 249 billion yen (ca.) |
| No. of policies in force | 2.46 million (ca.) | 500,000 (ca.) |
| Face amount of policies in force | 27 trillion yen (ca.) | 9 trillion yen (ca.) |
| No. of Life Planners | 3,150 | 1,293 |
| No. of Sales Managers | 369 | 130 |
| No. of agencies | 90 agencies | 33 agencies |
| Persistency rate | 94.5% | 96.0% |



3. Sales Strategy of Prudential



Traditional Japanese insurers

housewives / those with
experience of working in
the insurance industry

GNP
(Giri-Ninjo-Presents)

Low retention rate
Low persistency rate

Prudential

Male, with 4-year-college
background and no
experience of working in the
insurance industry

Needs-based selling
Consulting-based selling

High productivity

V.S.

What Life Planner Model is (2/4)

Channel
Life Planner

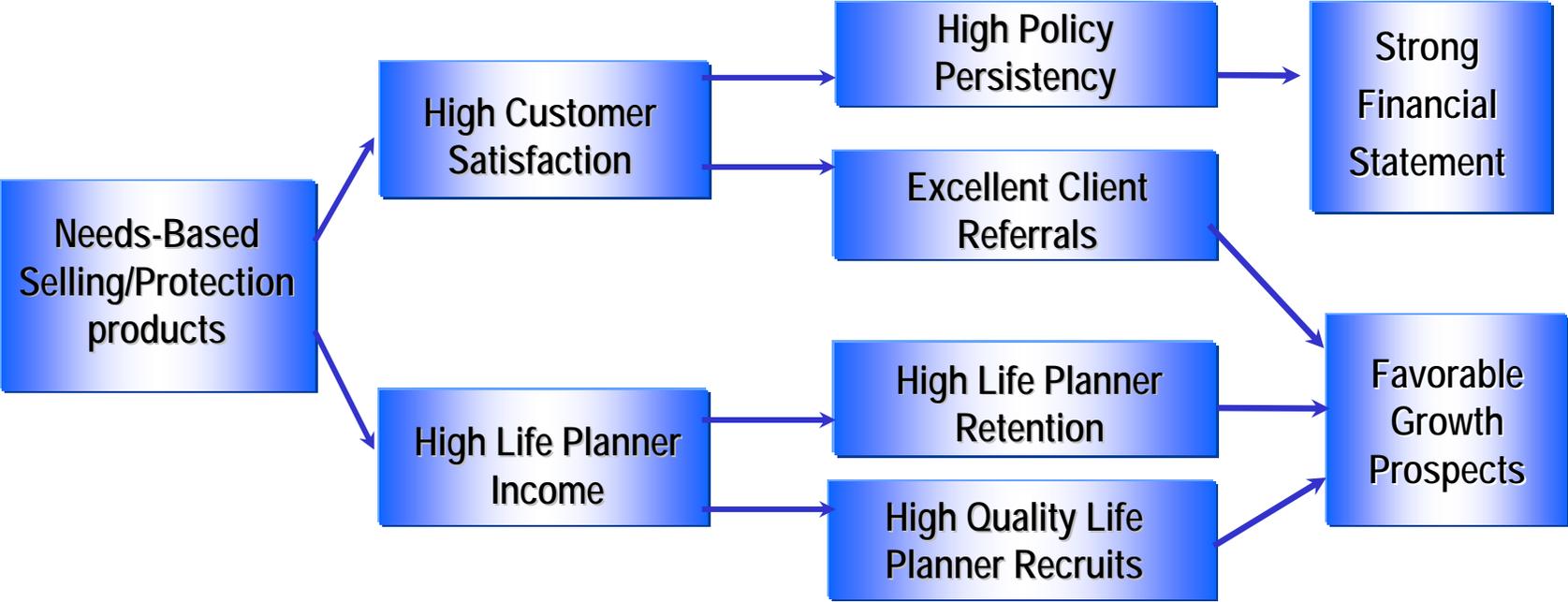
Method
Needs-based
selling

Market
Base / XYZ
/ Upscale

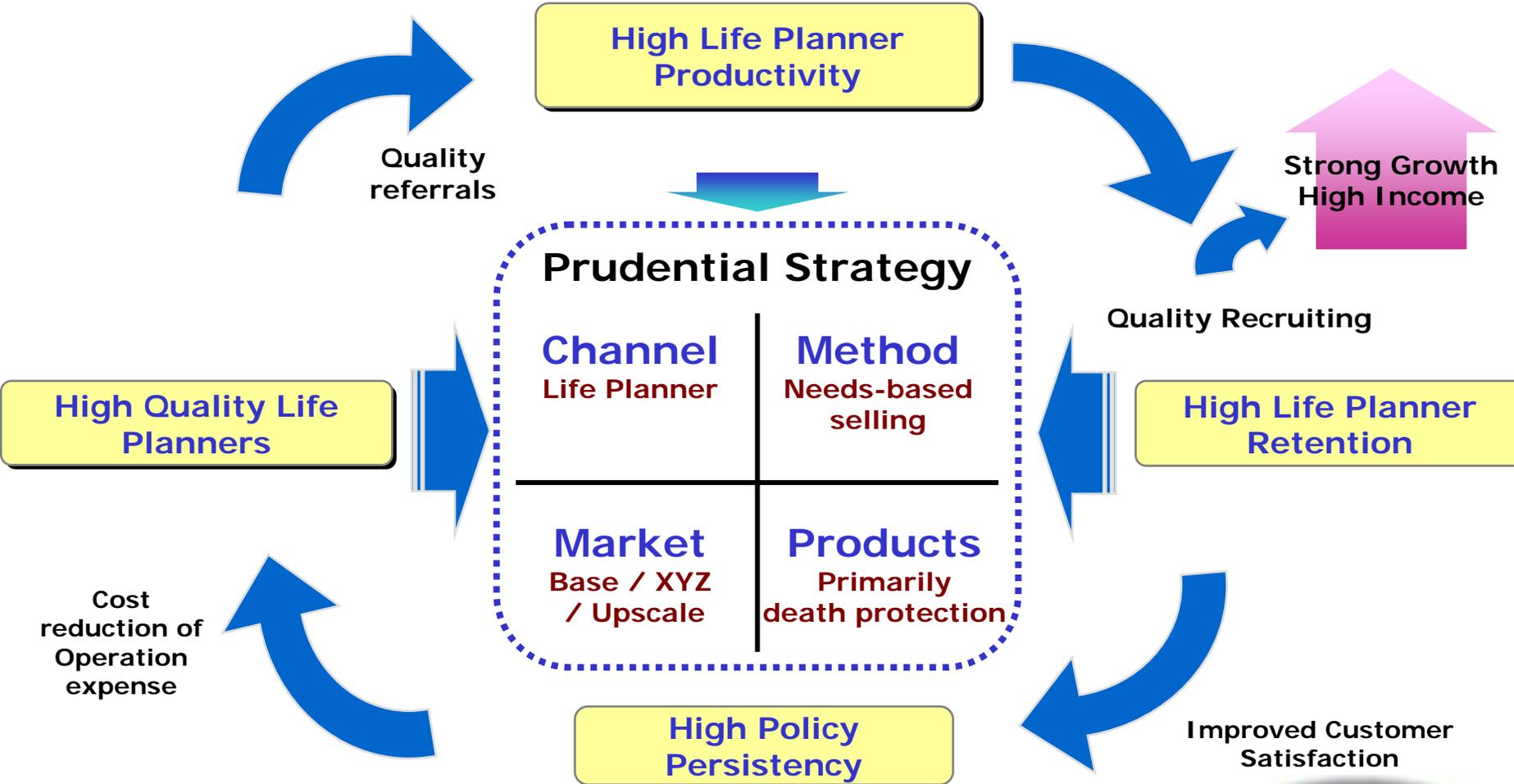
Products
Primarily
death protection

What Life Planner Model is (4/4)

Selected and well-trained Life Planners provide customers death protections based on customers' needs.



What Life Planner Model is (3/4)



Prudential's service strategy (at the foundation)

| | Prudential | Major Life Insurers | Mail-Order |
|-----------------------------------|---|--|--|
| Phase 1 (At Purchase) | -A specialist, namely Life Planner, rises up potential needs of customers to the surface, and designs custom-made coverage through its analysis. | -Customers can have a sense of security as major life insurers have an advantage of scale. | -The amount of premium is low. |
| | | -However, products are package type. The amount of coverage is hardly appropriate as it is decided based on the amount of premium. | -There is a tendency that the coverage only covers obvious needs as the customer designs it by himself. Also, the amount of coverage tends to be low. |
| Phase 2 (Change of Situation) | -Prompt response is possible at the payment of hospital benefits and policyholders' loans, change of coverage, birthing, and marriage etc. | -It is difficult to make quick response to change of situation as there is no sales staff in charge (many resign at early stage). | -As there is no sales staff in charge, the customer has to contact for any change of situation in order for the insurer to make a response. |
| Phase 3 (At the time of death) | -Life Planner in charge will handle general procedure at the time of the insured person's death. -Life Planner in charge has enough knowledge of tax procedures to be consulted. | -There is no sales staff in charge. -Even there is, he/she is not able to deal with cumbersome procedures. | -There is no sales staff in charge. -Bereaved family will not be able to receive the insurance payment if they do not directly contact the insurer. |



- 1992 LNB (Living Needs Benefit)
- 1997 FNB (Funeral Needs Benefit)
- 2005 DNB (Donor Needs Benefit)



Productivity of Life Planner Model (1/2)



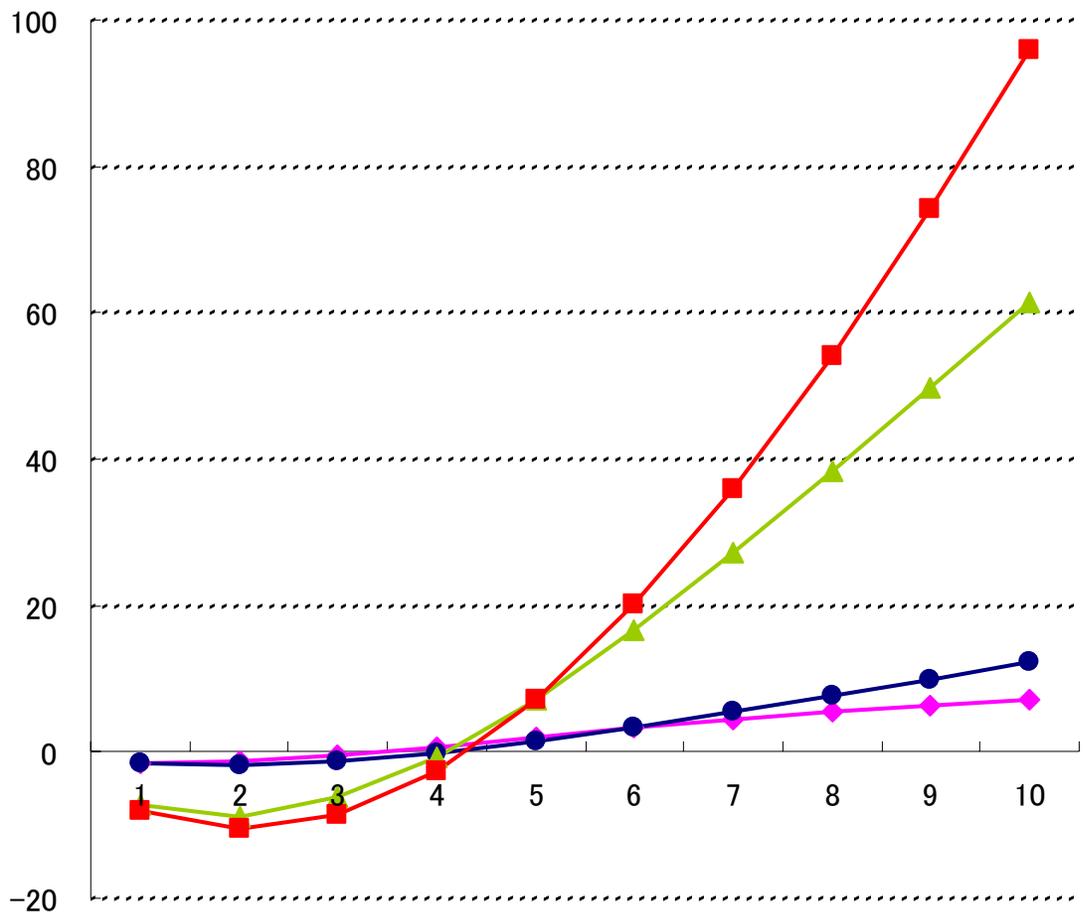
| | Prudential | | Other insurers (average) |
|------------------|----------------|------------|--------------------------|
| Persistency rate | 13th month | 94.2% | 85% |
| Retention rate | 12th month | 81.0% | 60% |
| Productivity | N Productivity | 7.0 issues | 3.5 issues |



Productivity of Life Planner Model (2/2)



Pattern of Profits (Statutory Basis)



Insurer D
(High Retention + High Productivity + High Persistency)

Insurer C
(High Retention + High Productivity)

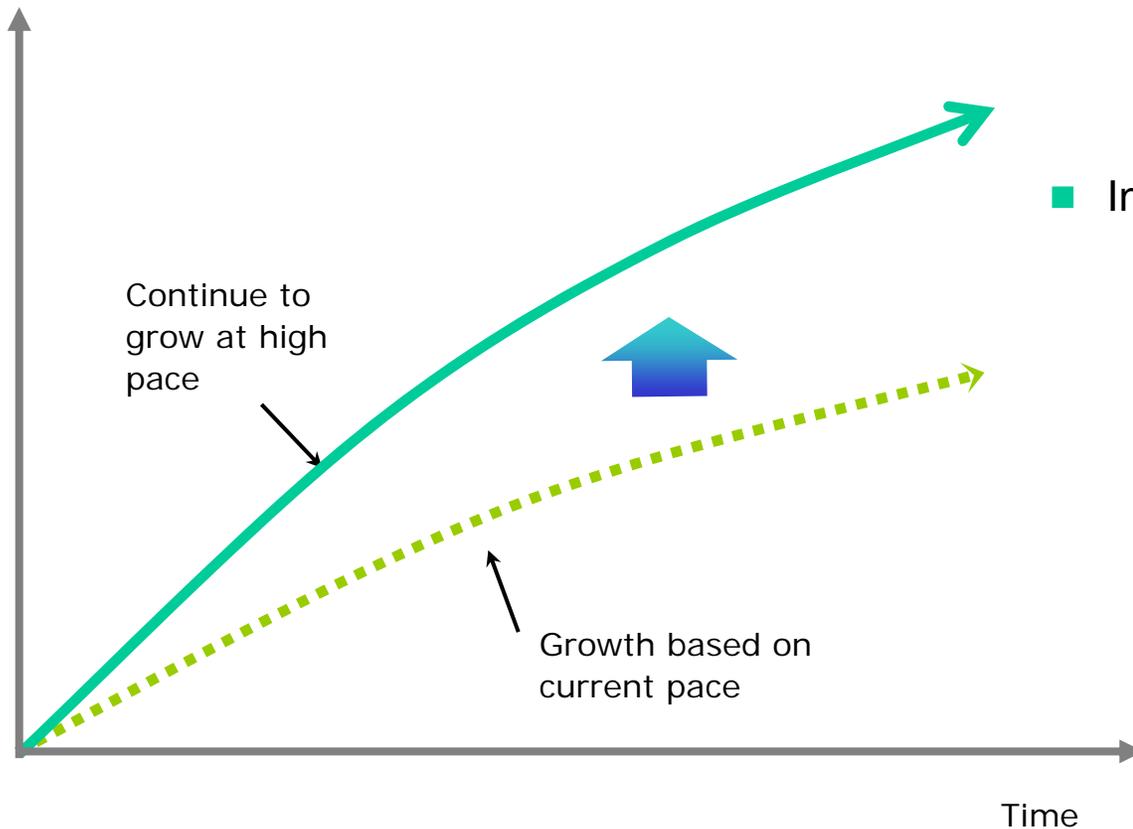
Insurer B (High Retention)
Insurer A



Model for continuous growth based on the Life Planners system

Future growth based by continuing the Life Planners Model

Growth



■ Initiatives to keep high growth rate

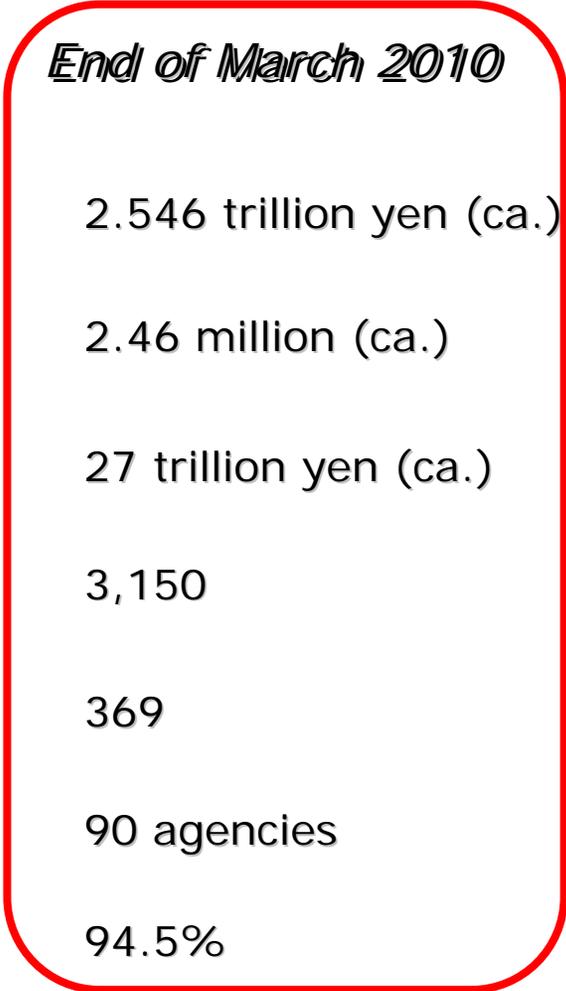
- ◆ Focus on death protection products distributing through Life Planners
- ◆ Meet new market needs through active employment of female Life Planners and Field Manager candidates
- ◆ Meet the needs of estate planning along with changes in Prudential customers' life stage
- ◆ Enhance initiatives on Business Insurance

4. Performance of Prudential

Performance of Prudential



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| No. of agencies | 90 agencies | 33 agencies |
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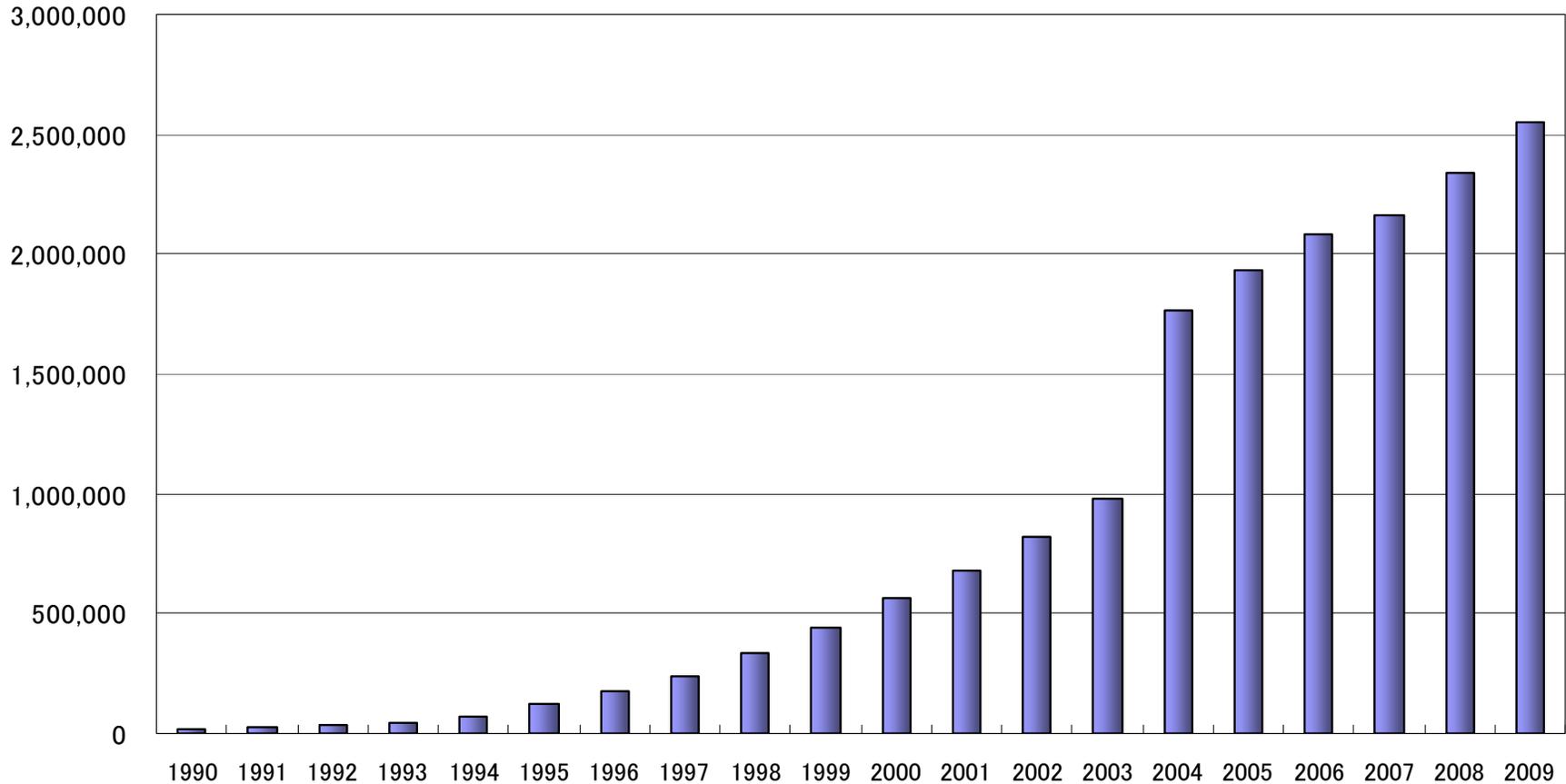


Trends of total assets



(Million Yen)

2.546 trillion yen

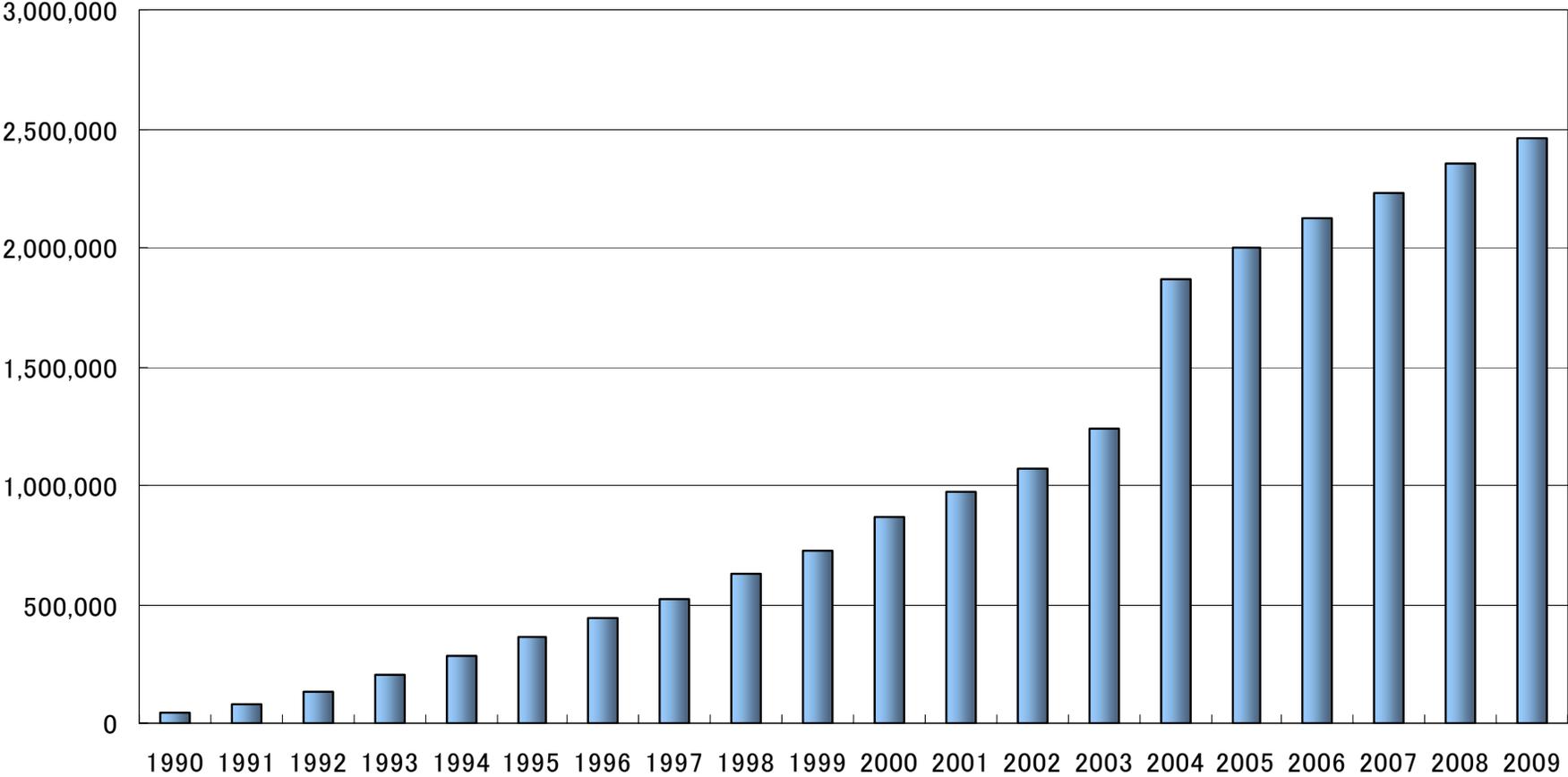


Trends of number of policies in force



(Number of policies)

2.46 million

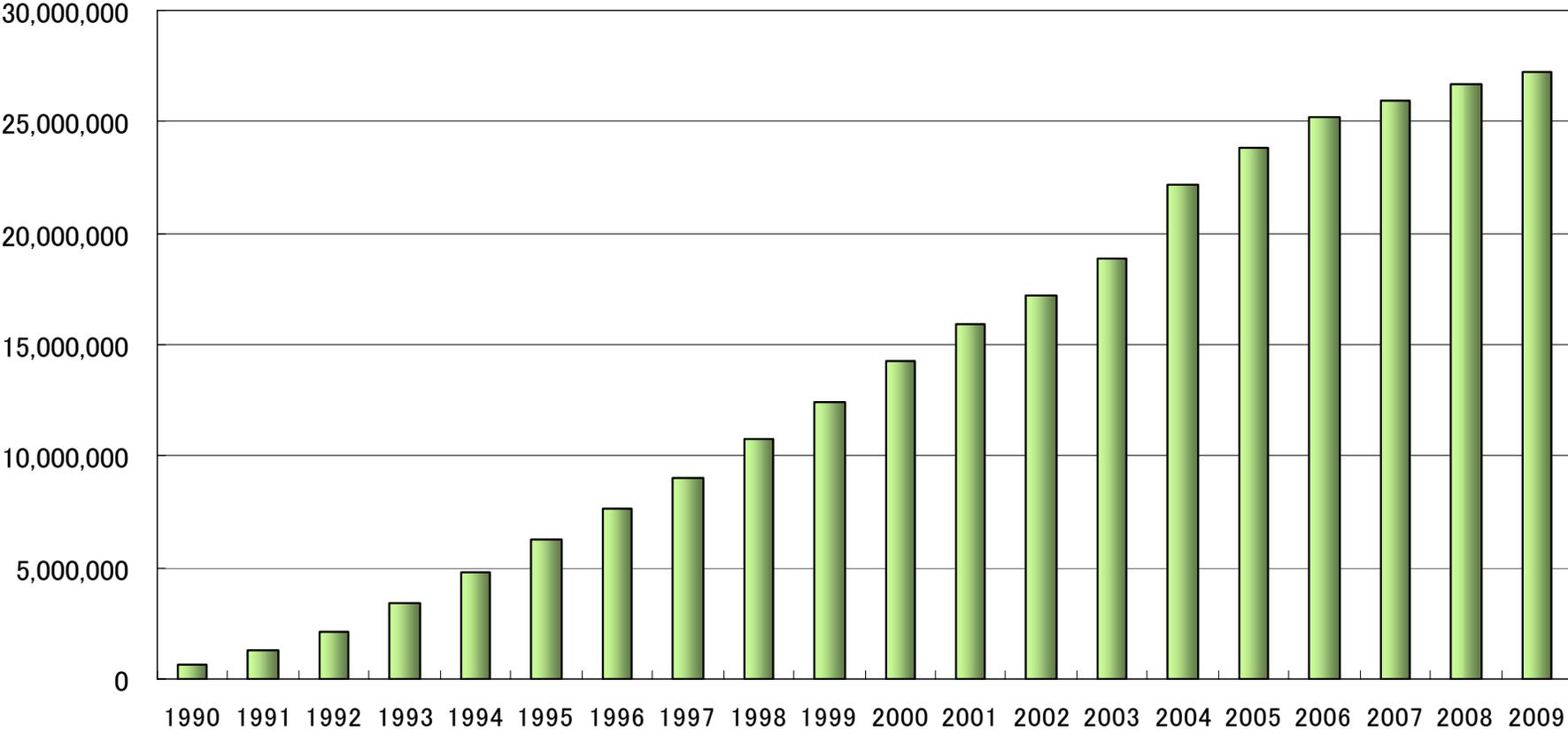


Trends of face amount of policies in force



(Million Yen)

27 trillion yen

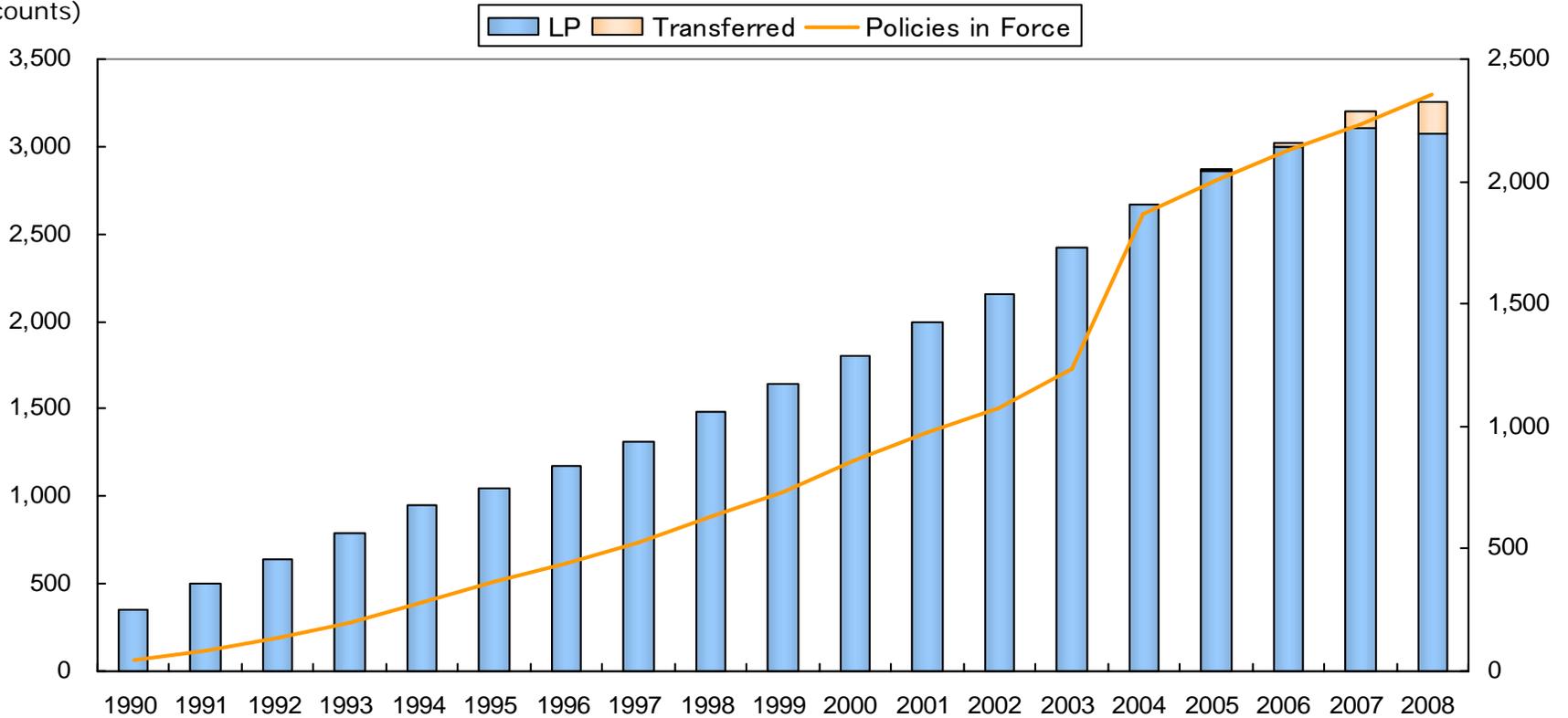


Trend of Life Planners counts and number of policies in force

3,150 people

(Life Planners counts)

(Number of policies in force)

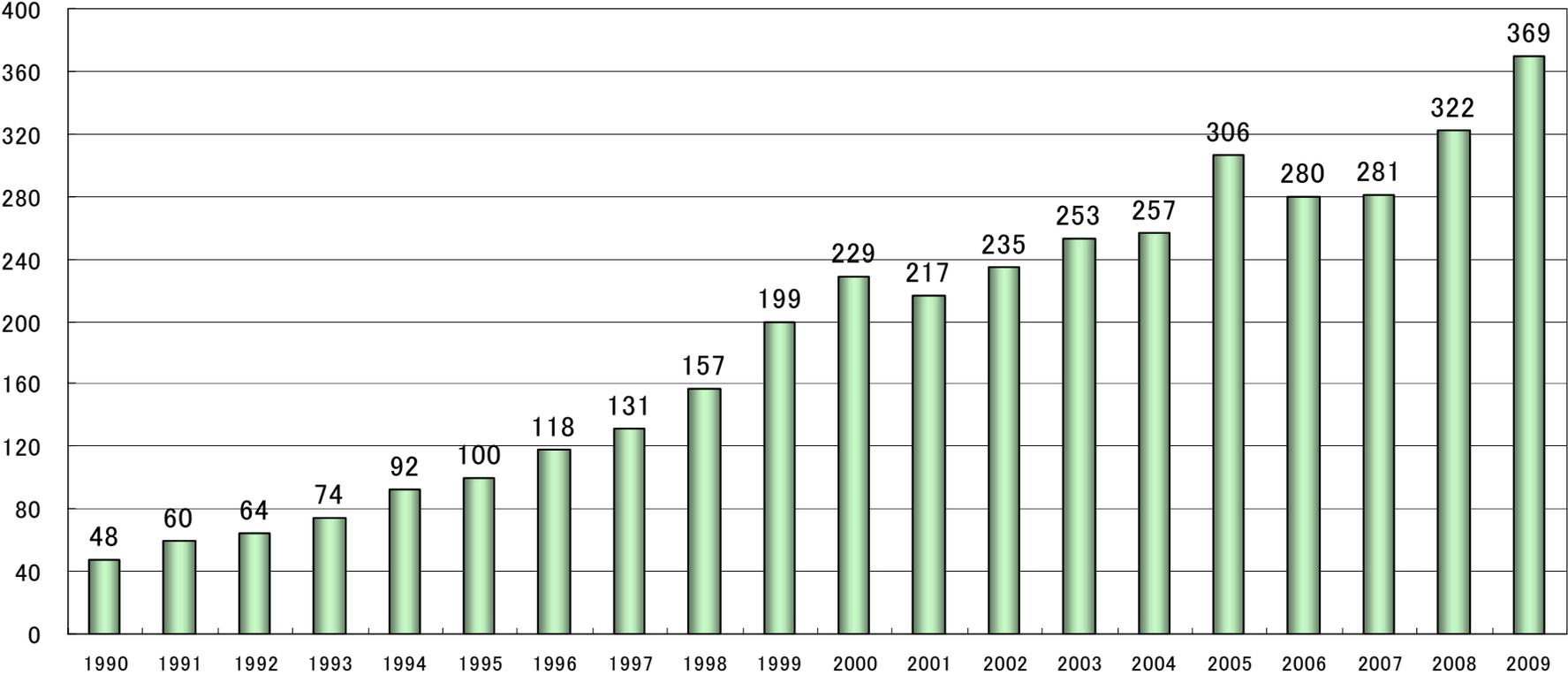


Trends of number of Sales Managers



(Number of Sales Managers)

369 people

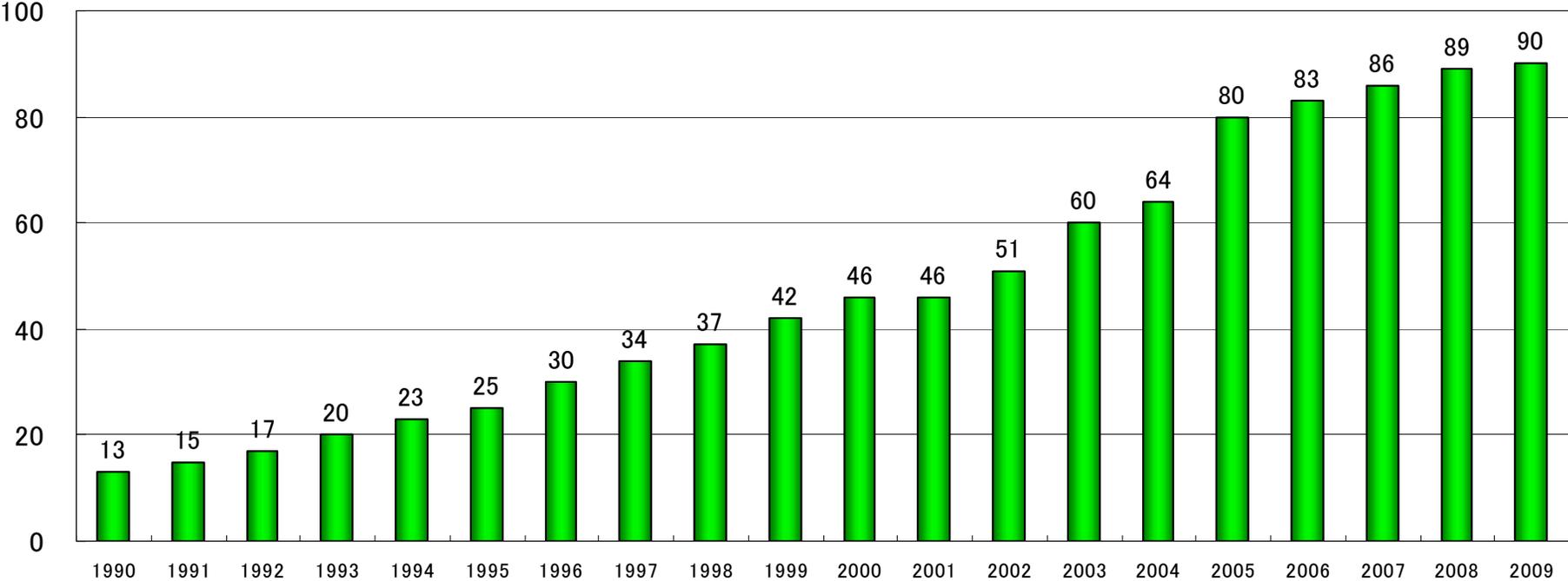


Trends of number of agencies



(Number of agencies)

90 agencies



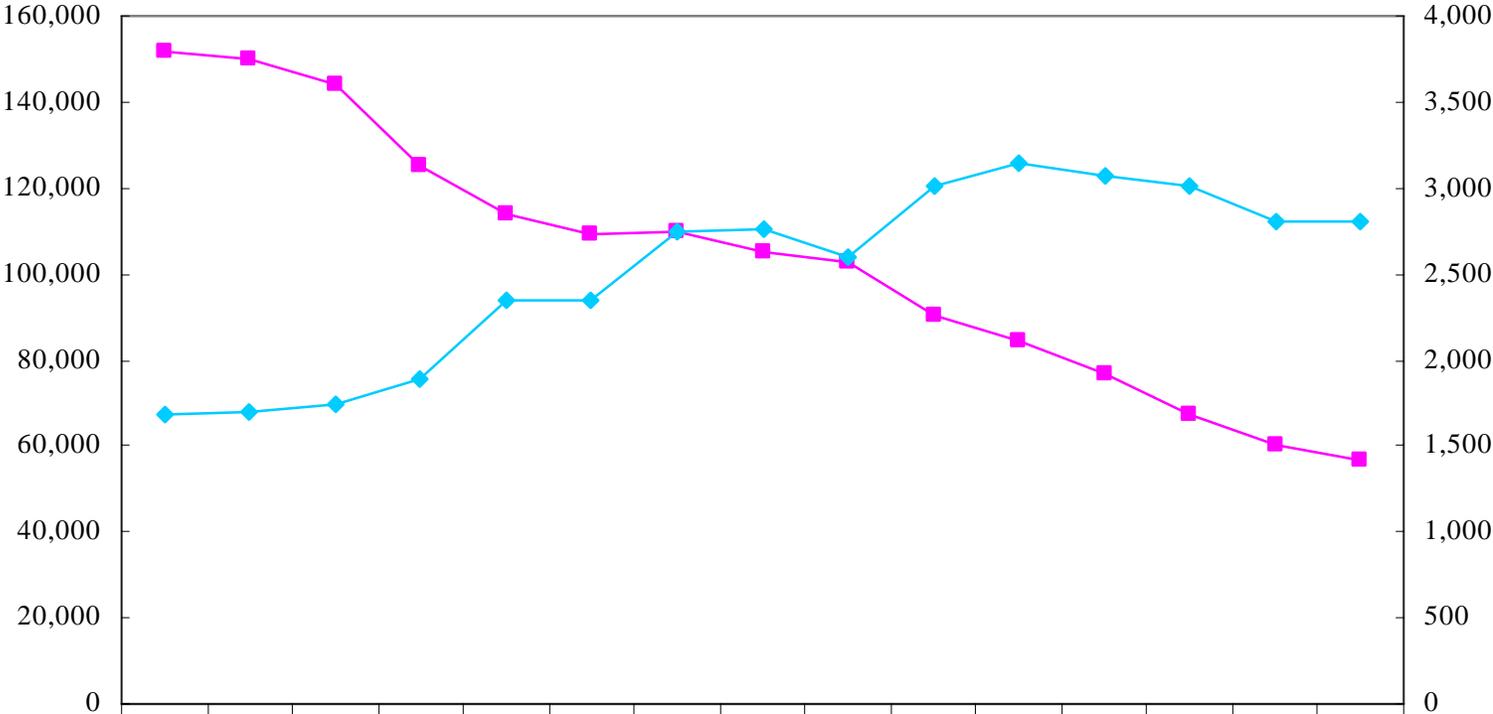
(FY basis)



Status of new business

Trends of face amount of new business (individual insurance)

Unit: Billion Yen

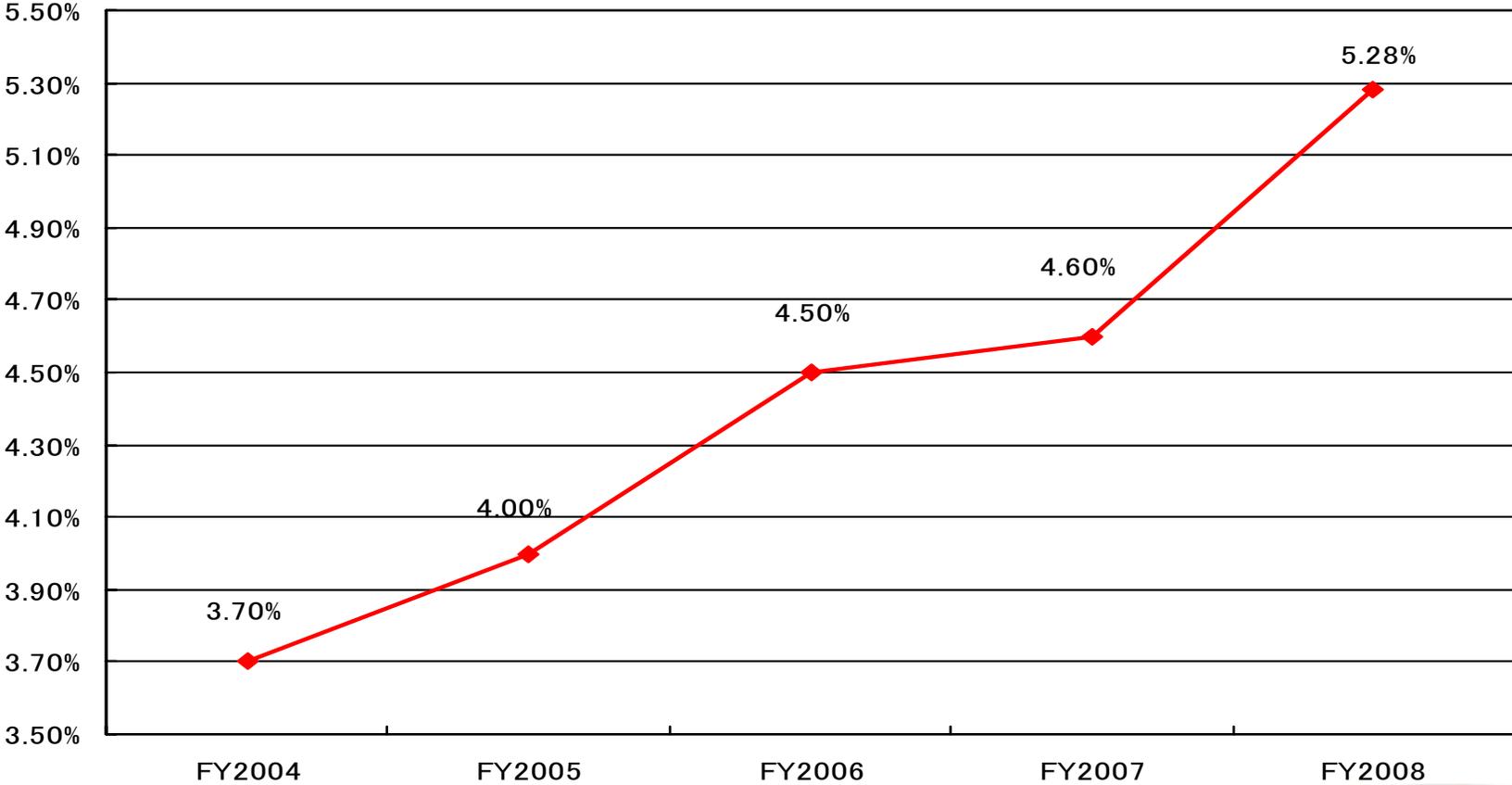


| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| Industry | 151,45 | 150,18 | 143,94 | 125,28 | 114,02 | 109,18 | 109,56 | 105,05 | 103,02 | 90,35 | 84,17 | 76,64 | 67,04 | 60,02 | 56,66 |
| POJ | 1,685 | 1,701 | 1,745 | 1,891 | 2,342 | 2,344 | 2,747 | 2,754 | 2,602 | 3,008 | 3,151 | 3,073 | 3,013 | 2,807 | 2,804 |

<LIAJ "Annual Statistic/Status of the Policy"/ 2008>

(FY basis, as of March 31, 2009)

Prudential's share in the market for face amount of new business





Prudential's market position (face amount of new business)

Face amount of new business for individual insurance, FY2009

Source: published disclosures of each insurer
(FY basis, as of March 31, 2010)

| Ranking | Company | New business | Net increases by conversion | Total |
|---------|-------------------------------|--------------|-----------------------------|-----------|
| 1 | Dai-ichi | 6,778,400 | ▲ 380,500 | 6,397,800 |
| 2 | Nippon | 7,486,100 | ▲ 1,206,900 | 6,279,200 |
| 3 | Sumitomo | 5,291,400 | ▲ 632,100 | 4,659,200 |
| 4 | Sony | 4,017,500 | 0 | 4,017,500 |
| 5 | Daido | 3,423,200 | ▲ 15,400 | 3,407,700 |
| 6 | Prudential | 2,802,200 | 0 | 2,802,200 |
| 7 | Tokyo Marine & Nichido Anshin | 2,773,100 | 0 | 2,773,100 |
| 8 | Alico | 2,440,059 | 0 | 2,440,059 |
| 9 | Meiji Yasuda | 3,798,000 | ▲ 1,422,100 | 2,375,800 |
| 10 | Taiyo | 1,304,700 | 1,043,300 | 2,348,100 |

(Unit: Million Yen)





Prudential's market position (face amount of business in force)

FY2009 Face-amount of business in force

Source: published disclosures of each insurer
(FY basis, as of March 31, 2010)

| Business in force | | | | | |
|-------------------|--------------|----------------------|--------------------|-----------|---------------|
| Ranking | Company | Individual insurance | Individual annuity | Sub total | Vs. Last year |
| 1 | Nippon | 180,524 | 17,935 | 198,459 | 94.6% |
| 2 | Dai-ichi | 150,575 | 7,197 | 157,772 | 95.0% |
| 3 | Sumitomo | 116,115 | 13,320 | 129,434 | 94.5% |
| 4 | Meiji Yasuda | 97,486 | 11,690 | 109,176 | 93.1% |
| 5 | Daido | 35,957 | 1,334 | 37,291 | 96.6% |
| 6 | Asahi | 33,865 | 3,362 | 37,227 | 92.1% |
| 7 | Sony | 33,164 | 307 | 33,471 | 102.9% |
| 8 | Mitsui | 29,727 | 2,611 | 32,338 | 90.5% |
| 9 | Fukoku | 28,516 | 2,980 | 31,496 | 94.8% |
| 10 | Prudential | 26,869 | 360 | 27,230 | 102.0% |

(Unit: Billion Yen)

[Reference] Life Planner Channel's market position (face amount of new business)

Face amount of new business for individual insurance, FY2009

Source: published disclosures of each insurer (FY basis, as of March 31, 2010)

| Ranking | Company | New Business | Net increases by conversion | Total |
|---------|--------------------------------------|------------------|-----------------------------|------------------|
| 1 | <i>Total of Life Planner Channel</i> | 4,780,449 | 0 | 6,819,700 |
| 2 | Dai-ichi | 6,778,400 | ▲ 380,500 | 6,397,800 |
| 3 | Nippon | 7,486,100 | ▲ 1,206,900 | 6,279,200 |
| 4 | Sumitomo | 5,291,400 | ▲ 632,100 | 4,659,200 |
| 5 | Sony | 4,017,500 | 0 | 4,017,500 |
| 6 | Daido | 3,423,200 | ▲ 15,400 | 3,407,700 |
| 7 | Prudential | 2,802,200 | 0 | 2,802,200 |
| 8 | Tokyo Marine & Nichido Anshin | 2,773,100 | 0 | 2,773,100 |
| 9 | Alico | 2,440,059 | 0 | 2,440,059 |
| 10 | Meiji Yasuda | 3,798,000 | ▲ 1,422,100 | 2,375,800 |
| 11 | Taiyo | 1,304,700 | 1,043,300 | 2,348,100 |

Total

(Unit: Million Yen)

[Reference] Life Planner Channel's market position (face amount of business in force)

FY2009 Face-amount of business in force

Source: published disclosures of each insurer
(FY basis, as of March 31, 2010)

| Business in force | | | | | |
|-------------------|--------------------------------------|----------------------|--------------------|---------------|---------------|
| Ranking | Company | Individual insurance | Individual annuity | Sub total | Vs. Last year |
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| 3 | Sumitomo | 116,115 | 13,320 | 129,434 | 94.5% |
| 4 | Meiji Yasuda | 97,486 | 11,690 | 109,176 | 93.1% |
| 5 | Total of Life Planner Channel | 60,033 | 667 | 60,701 | |
| 6 | Daido | 35,957 | 1,334 | 37,291 | 96.6% |
| 7 | Asahi | 33,865 | 3,362 | 37,227 | 92.1% |
| 8 | Sony | 33,164 | 307 | 33,471 | 102.9% |
| 9 | Mitsui | 29,727 | 2,611 | 32,338 | 90.5% |
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| 11 | Prudential | 26,869 | 360 | 27,230 | 102.0% |

Total

(Unit: Billion Yen)

MDRT Japan membership

Numbers of MDRT-
Japan members:
658 members
Number 1 among
Japanese insurers for
13 consecutive years

日経100 900+512.5

第40回MDRT日本大会 本日開催

日本になかったサービスが、
日本になくなくてはならないサービスに。



ブルデンシヤル生命は、ライフプランナー[®]の質にこだわり続けています。
お客様一人ひとりに最適な生命保険をご提案するためには、ライフプランナーがお客様と深い信頼関係を築き、
いつでも頼りにいただける「生涯のパートナー」となることが大切だと考えているからです。
今年も555名のライフプランナーがMDRT日本会員資格を取得。13年連続日本会員数日本一を達成することができました。
これからもお客様から信頼いただけるよう、わたしたちは時代の変化に対応できる品質を高め、ご満足をご提供する
プロフェッショナルズにより、お客様のことを第一に考えたサービスをお届けしていきます。

創業23年。オーダーメイドの生命保険が、多くのお客さまに認められています。
MDRT日本会 会員数13年連続日本一

MDRTの選会は、ブルデンシヤル生命の選会と一致しています。

Million Dollar Round Table (MDRT)とは—— 会員数の関と業績、\$1,000万(1000万ドル相当)の会員を有する、卓越した生命保険と金融サービスの専門性による国際的な組織です。世界中の生命保険・金融サービス専門家の年間トップクラスのメンバーで構成され、そのメンバーは相互に信頼と献身を誓い、顧客サービスのために、人々の生活をよりよくサポートする努力をしています。またMDRTは、会員数と業績を両立させた最高の組織を誇り、優れた顧客サービスを提供しています。ビジネスと地域社会のリーダーとして、生命保険と金融サービスの専門家として世界中で尊敬されています。

MILLION DOLLAR ROUND TABLE MDRT 日本会員数、ライフプランナーは、ライフプランナー・インストラクター・アドバイザーの総数です。

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〒100-0014 東京都千代田区本町2-13-10 ブルデンシヤルタワー
03-5561-2111 (受付) <http://www.prudential.co.jp>
03-5561-2111 (フリーダイヤル) <http://www.prudential.co.jp>
03-5561-2111 (フリーダイヤル) <http://www.prudential.co.jp>
03-5561-2111 (フリーダイヤル) <http://www.prudential.co.jp>





5. Life Planner System

Career Paths for Life Planner



Management Course

Sales Professional Course

Agency Manager

Sales Manager

Executive Life Planner

Senior Consulting Life Planner

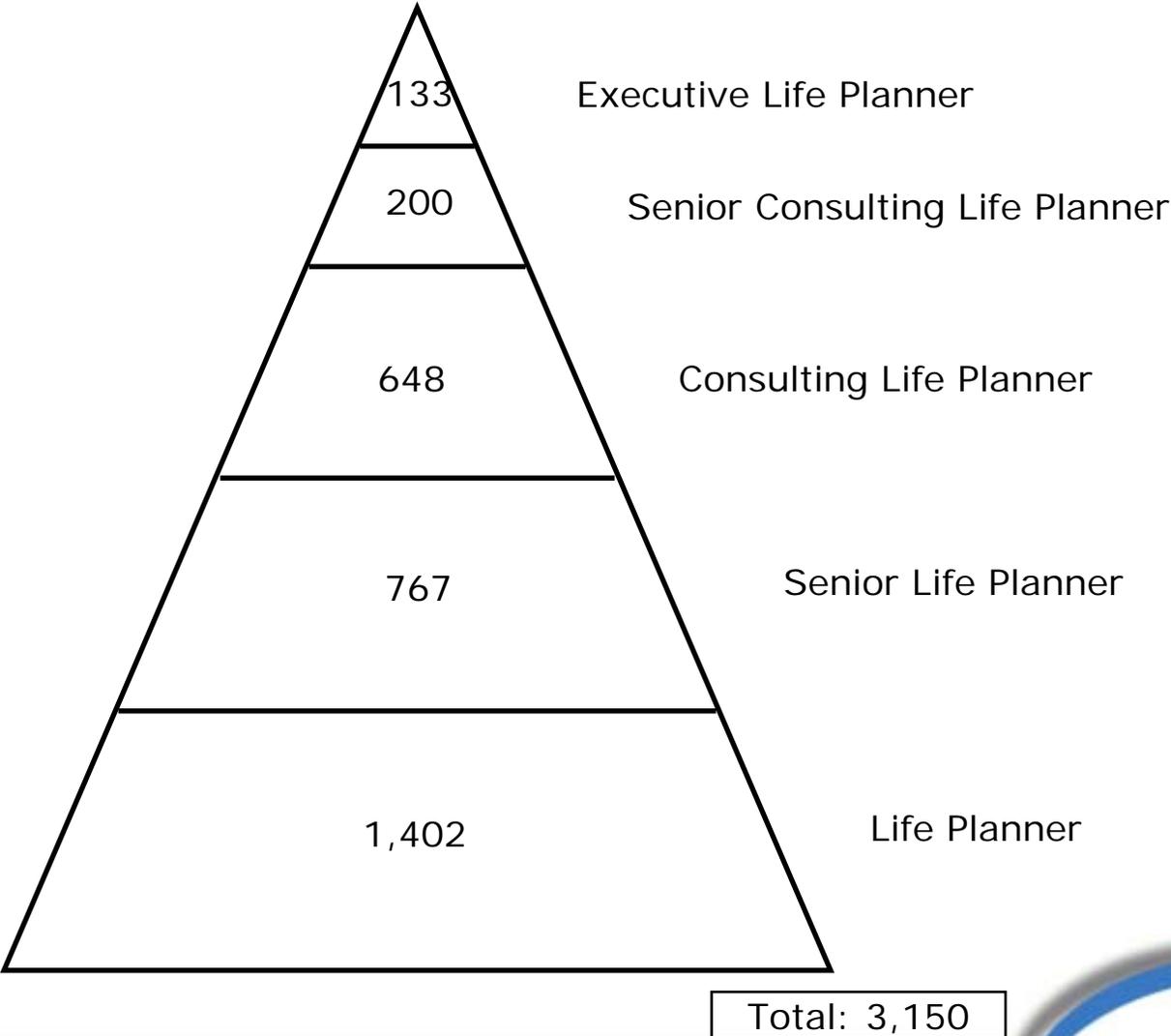
Consulting Life Planner

Senior Life Planner

Life Planner



Current Organization (as of March 31st, 2010)



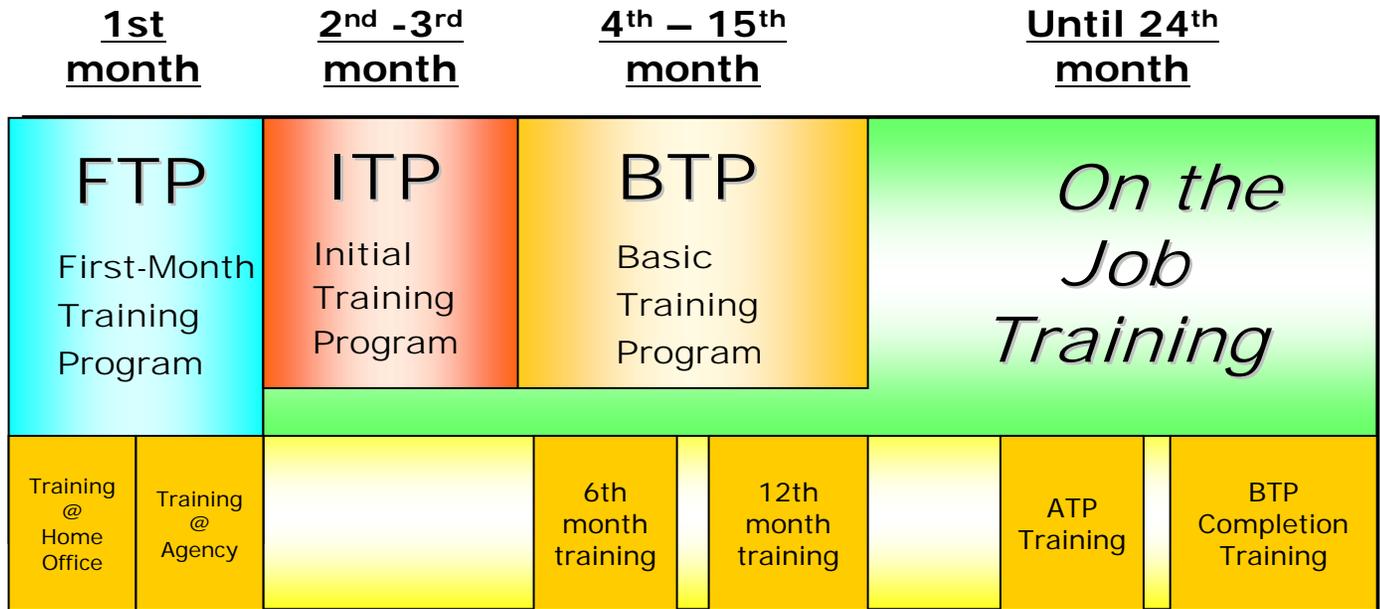
Trainings for Life Planner

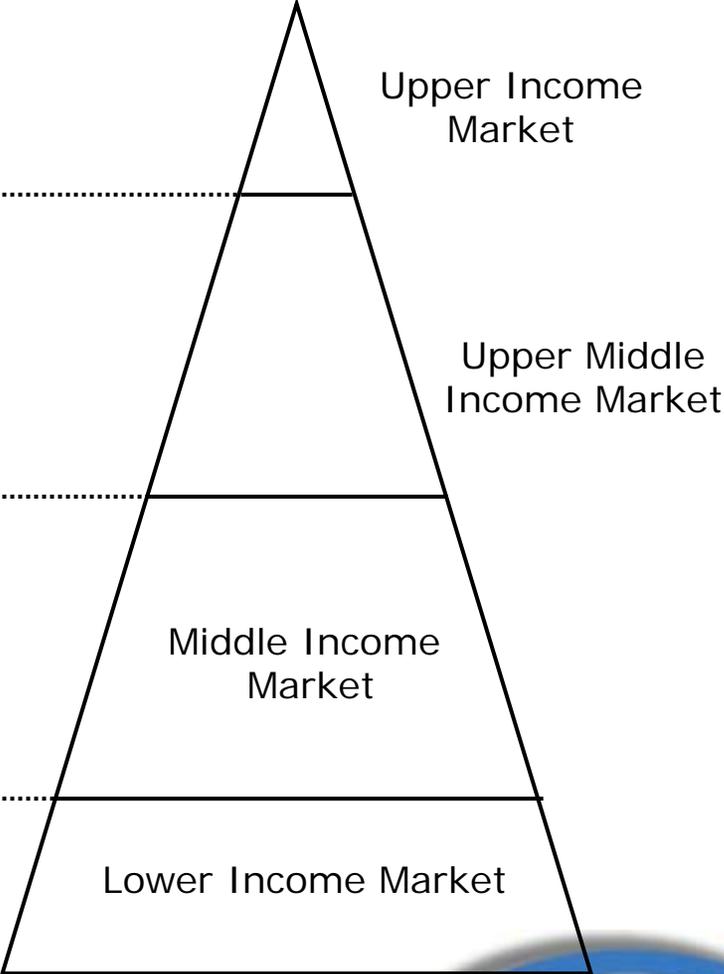
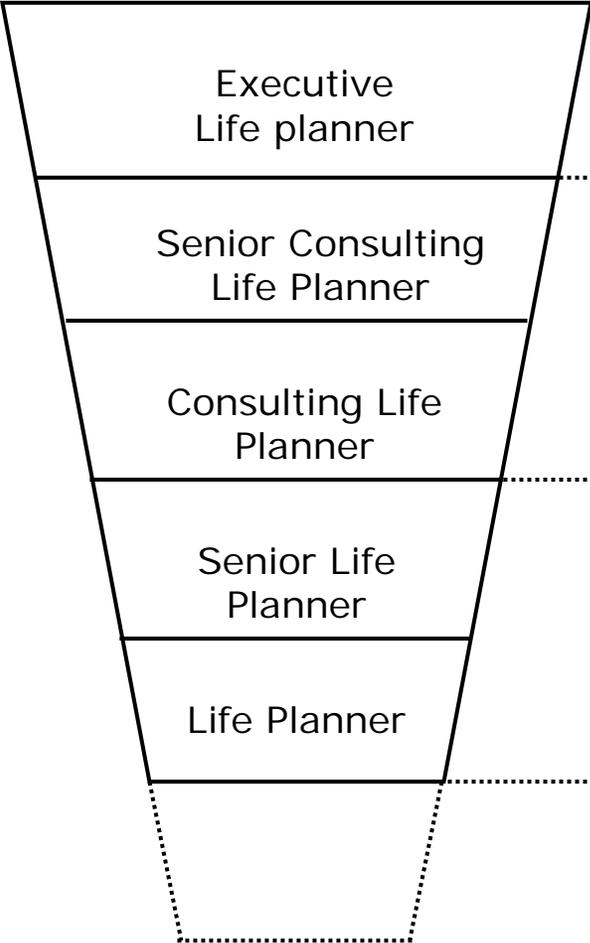


Pre-recruitment training

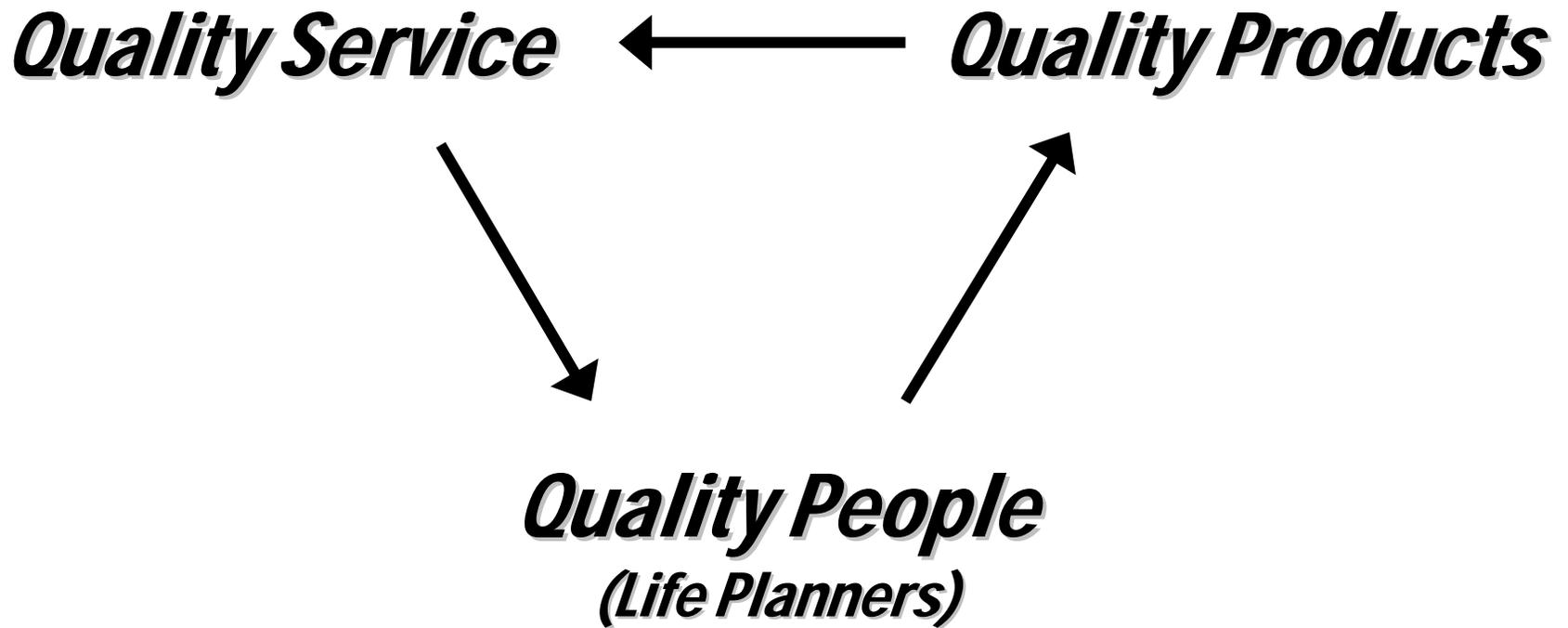
CIP
Career Information Program
(3 lessons, 6 hours)

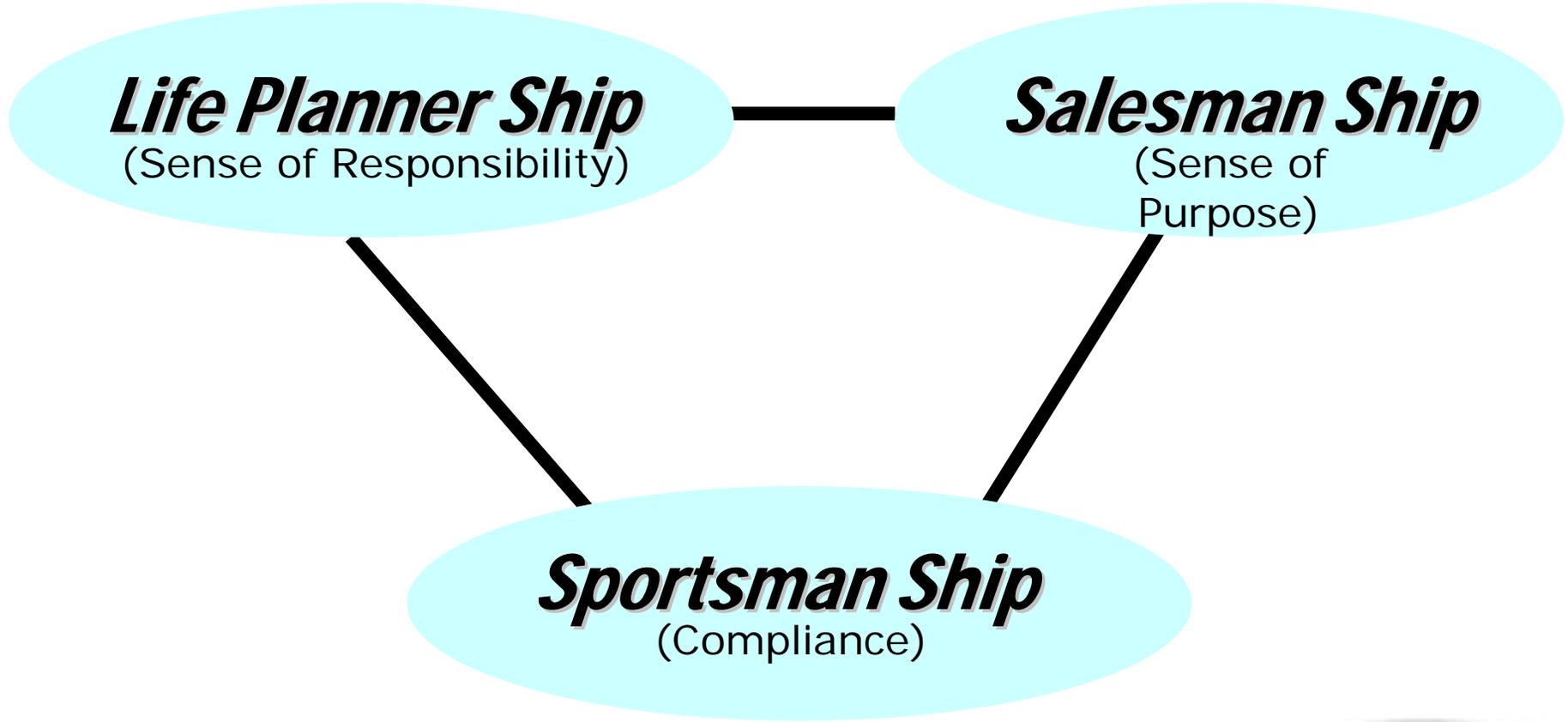
Recruitment





3-QS (Pursuit of Qualities)







C = C
(Contribution) (Compensation)

Money & Medal



K

-Knowledge-

A

-Attitude-

S

-Skill-

H

-Habit-

= CASH



We are the Prudential

Prudential of Japan employees maintain a strong commitment and desire to contribute to society in every facet of their life insurance business activities.

Our people are distinguished by their pioneer spirit, an unwavering commitment to pursue optimal life insurance, and a deep-seated belief in the principle of brotherhood of man and love of family, which binds society together.

Guided by our core values, vision, mission and strategy, we work to forge new markets and eras.

