

AXA Life Insurance Co., Ltd. (Mr. Jean-Louis Laurent Josi)

AXA, a major insurance/asset management group from France, has been engaged in various fields, including insurance, asset management and assistance business, since they established their Japan office. We interviewed Mr. Jean-Louis Laurent Josi, President and CEO of AXA Life Insurance Co., Ltd., regarding the company's business situation in Japan and future outlook.

AXA is one of the top insurance/asset management groups in the world, possessing approximately 102 million customers in 56 countries and regions worldwide. They established the first office in Japan in 1994 and have steadily expanded the company in areas such as insurance, asset management and assistance business. We interviewed Mr. Jean-Louis Laurent Josi, President and CEO of AXA Life Insurance Co., Ltd. (hereafter referred to as "AXA Life"), regarding the company's view on business in Japan.



Mr. Laurent Josi, President and CEO of AXA Life Insurance Co., Ltd.

Timing of AXA's start of business in Japan and reason for it

We started our business in Japan in 1994. The reasons we entered Japan are that it is an important market with potential that AXA could apply in operations worldwide and that Japan had the second largest market worldwide in the field of life insurance.

Troubles AXA faced when entering the market in Japan

If you ask me if entering the Japanese market itself is difficult, the answer is "No." I believe that you can do it without facing issues if you find the right moment and the right people. We merged with Nippon Dantai Life Insurance Co., Ltd. in the course of expanding our business in Japan, but we were able to promote the merger relatively smoothly because we had similar experience in other countries. We may build alliances with companies with completely different cultural backgrounds when we expand operations globally, but I do not think that Japan is more difficult to enter than other countries.

We currently have approximately 3.3 million customers in Japan and approximately 9,000 employees. Roughly 8% of the overall revenue for the group comes from the business in Japan. This is the largest scale for French companies in Japan. I can say that, in the past 20 years, we have achieved the goal which we had when we first entered the market in Japan.

Strength of AXA Life

Our strength is that we possess great brand capabilities and strong financial foundation as a member of the AXA group. The fact that we can share/utilize the experience, know-how, and ideas that the overall AXA group has accumulated also helps us differentiate ourselves from other companies. For example, when we introduce new products or services, we can launch them quickly and at a cheaper cost by utilizing the know-how possessed by the group.

Another strength of our company is the diversity of sales channels. Our products can be

purchased via the Chamber of Commerce and Industry, financial plan advisors located nationwide, independent brokers, agents, or even on the internet. Furthermore, more than 50 local banks throughout Japan also carry our products. We especially have had a good relationship with the Chamber of Commerce and Industry for as long as 80 years. They are important business partners also in terms of accesses to small and medium-sized businesses throughout Japan.

Benefits of operating business in Japan

The first one is the market size. Japan's life insurance market is the second largest in the world, and Japan has the third largest GDP scale in the world. Japan is an important market for us, as we deploy business globally. I believe that we will be able to continue contributing to more customers.

We also consider the issue of aging population in Japan as a new business opportunity. Japan is a very important market when we consider how we will respond to the needs of the elderly segment, which will grow in the future. The aging population is an issue that other countries in Europe and Asia can potentially face in the future, and we will be able to utilize what we have learned in Japan. Social security reform is expected to be promoted in Japan in the future. Under such circumstances, I believe we as an insurer will be able to greatly contribute to the population in Japan.

Finally, we will be able to apply the management know-how, which we have practiced in the tough management environment in Japan in which low interest rates persist, to other countries in the future. Low interest rates can be said to create a difficult business environment for insurance companies, but we have steadily expanded despite such an environment. For example, interest rates are continuing to drop in Europe now, and they are facing the same

situation as Japan. I believe that our past response measures will be greatly useful for our group companies in European countries.

Products/services that were developed in Japan and serve as leading examples for other countries

One example we have is the "AXA Medical Assistance Service" that we developed 3 years ago. This service allows customers to receive second opinions and advice to choose the optimal medical services from talented medical specialists 24 hours a day, seven days a week. In terms of assistance, this offers top-class quality even within the group. It especially received great attention from the group as a service with high reputation among the retired segment.

Local business deployment in Japan

We have as many as 550 offices throughout Japan. AXA also offers services to small and medium-sized businesses throughout the world, and the market of small and medium-sized businesses through the Chamber of Commerce and Industry is an important business foundation for us in the market in Japan. Since many small and medium-sized businesses are accumulated in local cities, we focus on local businesses.

We also established the Sapporo Headquarters in November of 2014 to disperse our local headquarters functions as part of the business continuity plan (BCP). The mission of insurance companies is to "protect people." Our mission is to help customers especially in case of disaster. After the Great East Japan Earthquake, we truly felt the necessity to establish a system that would allow us to continue our services regardless of the situation, and that is why we made the decision to disperse the headquarters functions. Local officials offered great support when we were preparing to establish the headquarters. Furthermore, Governor Takahashi of Hokkaido,

Mayor Ueda of Sapporo, and Chairman Takamuki of Sapporo Chamber of Commerce & Industry came to our opening ceremony.

Future development in Japan

We will further expand the business scale in Japan and continue to make investments. This is for our future, for the reform of the company organization, to respond to the needs of customers in the Japanese market in a more detailed manner, and to acquire market share. In fact, in the past three or four years, we have invested more than twice as much than in the past.

We also focus on initiatives to fulfill our social

responsibilities as a company. We have been continuing to make donations to support children in the affected areas of the Great East Japan Earthquake to be able to access schools since two years ago. We doubled the donation amount this year so that we wouldn't let the memory of the quake be forgotten. Donation money from one company is small compared to the amount required for reconstruction, but if many companies and people with the same goal gather their efforts, people will feel the effect more strongly. We hope that our initiative will affect other companies so that we can make as much contribution as possible to solving social issues.

(November, 2014)

History of the company

- 1817 La Compagnie d'Assurance Mutuelle contre l'Incendie, predecessor of AXA, established in France
- 1994 AXA Life Insurance Co., Ltd., wholly-owned by AXA, is established
- 2000 AXA and Nippon Dantai Life Insurance Co., Ltd. agree on comprehensive capital alliance, and business merger takes place
- 2014 "Sapporo Headquarters" established as part of business continuity plan (BCP). Headquarter functions of Tokyo dispersed to local city.

AXA Life Insurance Co., Ltd. (Japan subsidiary)

Establishment: July 1994

Business: Life insurance business

Parent company: AXA S.A.

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URL: <http://www.axa.com/en/>

Parts of this interview can be viewed on the 「CEO Voices in Japan」section of the Ministry of Economy, Trade and Industry website. [「CEO Voices in Japan」](#)