

September 1, 2014

Joint Announcement by Reliance Group and Nippon Life Insurance Company

Anil Ambani led Reliance Group (Group Managing Director: Amitabh Jhunjhunwala) and Nippon Life Insurance Company (“NLI”; President: Yoshinobu Tsutsui) welcome Prime Minister Narendra Modi’s first visit to Japan after inaugurating the government.

India and Japan have promoted strengthening the economic relations through leveraging Comprehensive Economic Partnership Agreement (CEPA) which became effective in August 2011. Under such circumstances, Reliance Group and NLI Group have worked together to develop various businesses including NLI’s purchasing 26% stake in Reliance Life Insurance Company Limited (“RLIC”; Chief Executive Officer and Executive Director: Anup Rau) in October 2011 and 26% stake in Reliance Capital Asset Management Limited (“RCAM”, Chief Executive Officer: Sundeep Sikka).

The collaborations between Reliance Group and NLI Group intend to build not only the one direction of economic interchange by Japanese corporations’ advancing to the huge Indian market, but the interactive and dynamic economic interchange by making full use of the strengths of both countries and both groups.

As a good role model of business partnership between Indian and the Japanese corporations, Reliance Group and NLI Group will actively further expand their collaboration which will contribute towards strengthening the relations between India and Japan.

(Typical collaborative cases between Reliance Group and NLI Group until today)

1. Launched the Japanese equity fund for the Indian retail investors

RCAM commenced management of the Japanese equity fund in August 2014. This is the first Japanese equity fund brought into the Indian mutual fund market. This fund is a publicly offered investment trust, domiciled in India and Nissay Asset Management Corporation (“NAM”; President and Chief Executive Officer: Kiyoshi Ujihara) gives investment advice in selecting the attractive companies.

RCAM and NAM made this project finally come true after overcoming the technical issues such as fulfilling the gaps of the regulations between the two countries and the time difference of the two stock exchange markets.

Even though the mutual fund market in India keeps high growth rate and the assets under management grew almost 7 times as large as that of ten years ago, the main investment assets are limited to the domestic equities and the bonds. Reliance Group and NLI Group hope to support the Indian investors forming the better diversified portfolios by offering the various investment opportunities.

2. Launching the Indian bond fund and the Indian equity fund for the Japanese retail investors

NAM will begin management of the Indian bond fund and the equity fund, with the support from RCAM through receiving the investment advice this autumn. These two funds are publicly offered investment trusts, domiciled in Japan.

The aim of setting these two funds is that to offer attractive investment opportunities to the Japanese individual investors, as more attention is paid to the Indian financial products and the Indian equity market recorded the highest index based on the expectation to the economic reforms with the formation of Prime Minister Modi's cabinet.

Reliance Group and NLI Group will do their best to play an important role as major asset managers offering various mutual fund opportunities to the Japanese individual investors with estimated total investment assets of 1,600 trillion yen.

3. To invest in the Indian equity fund and the bond fund from the Nippon Life Insurance's general account

The Japanese life insurance companies are looking to invest globally because of the ultralow interest rate for a historically long period and for maintaining the stable investment income, it is getting very effective to invest in the growing markets and to apply the outside investment company in order to achieve the high returns.

Especially when we invest in the financial assets of the developing countries, it is very important to select the reliable asset management company which is very familiar with the local market from the viewpoint of managing the risks and the returns.

NLI enhances the investment capability in the general account by investing in RCAM's Indian equity fund since October 2012 and bond fund since December 2013 which have the good performance records.

4. To introduce "Face-to-Face channel (F2F) channel" to the Indian life insurance market

Recently the Indian government emphasized the importance of the life insurance product with the long-term protection rather than the unit-link type of products which were popular until several years ago through regulation changes. And the new challenges such as how to call the needs before purchasing the life insurance contract and how to enrich after-sales services are paid more attention to.

RLIC set up the sales representative channel, in November 2012, modeling the NLI's traditional sales style. The features of this new channel are that the channel is mainly composed of women and that the salary structure is a combination of the fixed monthly salary and the commission. RLIC has been trying to complement the traditional agent channel with the full commission by adopting this new sales channel.

The introduction of this new sales channel is recognized favorably not only because we improve customer service and productivity through stable employment and substantial employee education but also because this serves the objective of empowering and promoting movement of women into the society.

5. To participate in the “Financial Inclusion” mission in India by setting up of Reliance Bank

In India, the needs to the bank loans is increasing and bank deposits are rapidly getting popular based on the needs for the infrastructure brought by the economic growth and the rise of the middle income class. The Indian Government - through the Finance Ministry and the Reserve Bank of India - proposes to issue guidelines that will allow private corporations to establish various kind of banks so that the spread of the fundamental financial services in rural areas, through the financial inclusion mission, can be achieved.

Reliance Capital Limited (“RCAP”; Chief Executive Officer: Sam Ghosh), the parent company of RLIC and RCAM as the financial holding company, is planning to set up its own bank (under the appropriate guidelines and subject to regulatory approvals) which covers inter alia the individual customers and the small and mid-size enterprises all over India, by making good use of the reputation and the network of the Reliance Group.

NLI is also participating in this bank project as part of the comprehensive and strategic business alliance, and aims to expand the distribution channel for the financial products such as life insurance and mutual funds as well as to improve the financial infrastructure and to contribute more to the further economic growth of India.

Yoshinobu Tsutsui
President
Nippon Life Insurance Company

Amitabh Jhunjhunwala
Group Managing Director
Reliance Group

(Appendix)

< Overview of Reliance Group and its major subsidiaries >

Reliance Group

- Head Office: Mumbai, Maharashtra, Republic of India
- Chairman: Anil Dhirubhai Ambani
- Group Managing Director: Amitabh Jhunjunwala

Reliance Capital Limited (Financial services, listed company)

- Chairman: Anil Dhirubhai Ambani
- Vice Chairman: Amitabh Jhunjunwala
- CEO: Sam Ghosh
- Major shareholders: Reliance Group 54.1%
- Total income: INR 75.4 billion (JPY 130.5 billion)
- Net profit: INR 7.5 billion (JPY 12.9 billion)

Reliance Capital Asset Management Limited (Asset management)

- CEO: Sundeep Sikka
- Major shareholders: Reliance Capital Limited 65.2%,
Nippon Life 26.0% **[acquired the stake in August 2012]**
- AUM: INR 1.93 trillion (JPY 3.34 trillion)
(Mutual Fund AUM: INR 1.04 trillion (JPY 1.80 trillion)
- Market share 11.4% (ranked 3rd in Indian mutual fund industry)
- Total income: INR 7.7 billion (JPY 13.4 billion)
- Net profit: INR 2.7 billion (JPY 4.7 billion)

Reliance Life Insurance Company Limited (Life insurance)

- CEO: Anup Rau
- Major shareholders: Reliance Capital Limited 73.8%,
Nippon life 26.0% **[acquired the stake in October 2011]**
- Premium income: INR 42.6 billion (JPY 73.6 billion)
- Net profit: INR 3.6 billion (JPY 6.2 billion)

Reliance General Insurance Company Limited (General insurance)

Reliance Securities Limited (Broking)

Reliance Communications Limited (Telecommunication)

Reliance Infrastructure Limited (Infrastructure, including Roads and Metro Rail))

Reliance Entertainment Limited (Media and Entertainment)

Reliance Power Limited (Power generation)