

Basic Agreement on Management Integration



NISSAY



MITSUI LIFE INSURANCE

I. Purpose of the Management Integration

II. Post-Integration Business Development

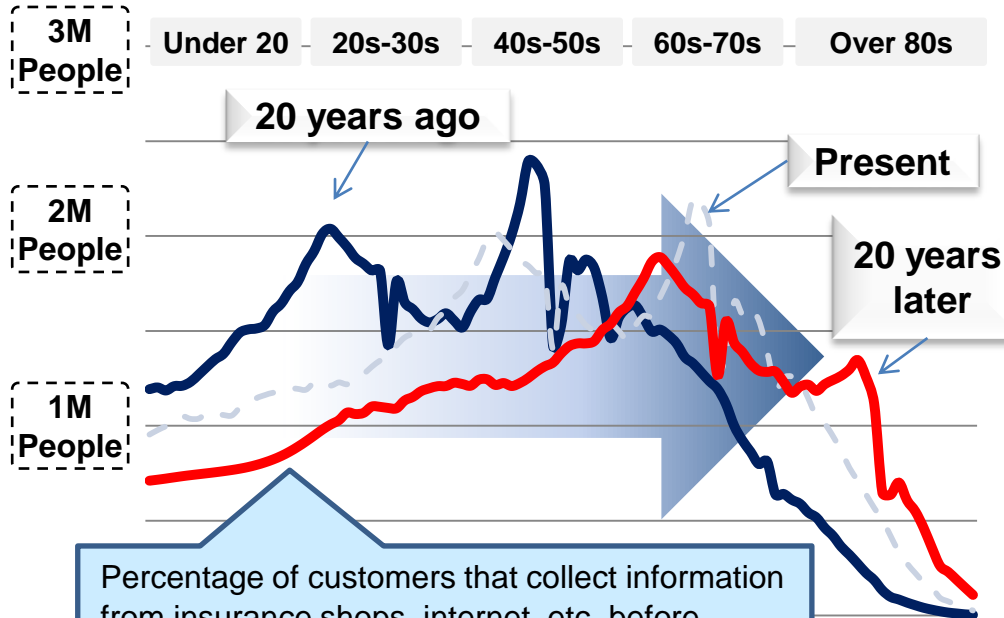
III. Integration Scheme

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Demographics/ Customer Trends in Japan

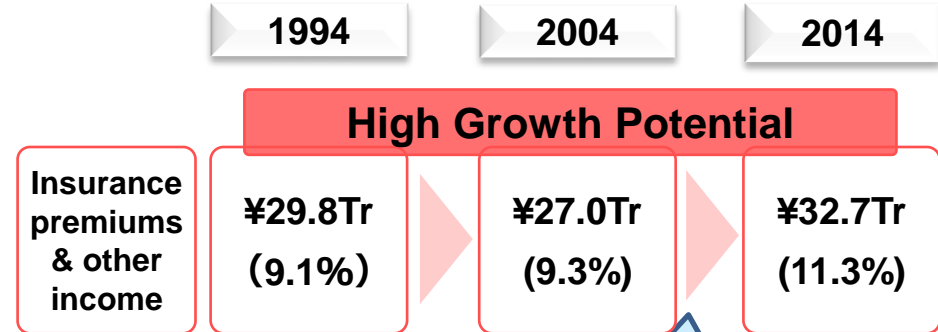


Percentage of customers that collect information from insurance shops, internet, etc. before purchasing an insurance policy

1997 and before	17.1%
2011 and later	52.8%

Source: Survey by NLI Research Institute

Life Insurance Market



* () represents the percentage of insurance premiums against total household disposable income
Figure of 2014 is a comparison with total household disposable income in 2013

Increase in sales of whole-life insurance through bancassurance

Annualized Premiums (in Force) 2006→2014

Individual Insurance	+¥1.43Tr
Individual Annuities	+¥1.16Tr
Third-sector insurance	+¥0.96Tr

Source: Material by The Life Insurance Association of Japan (excluding Japan Post Insurance)

Continuous market growth has been delivered with steady increase in premiums in recent years, addressing the changes in demographics and customer trends

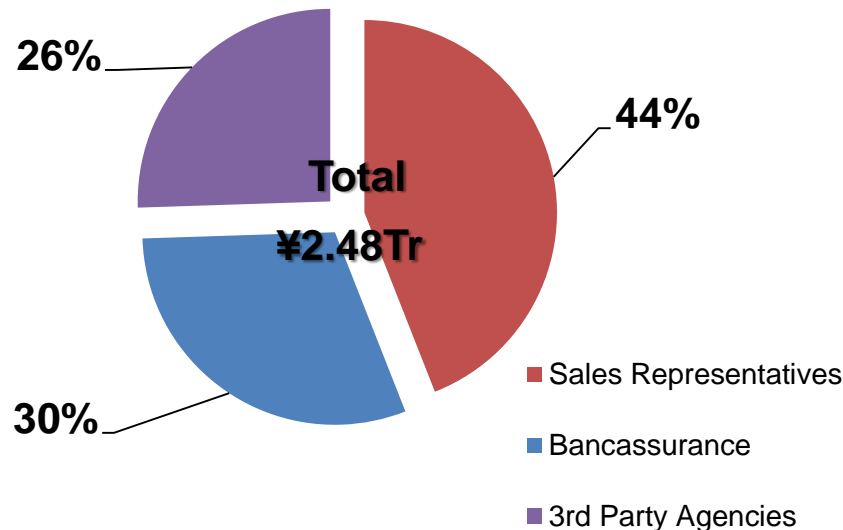
Able to deliver sustainable growth by addressing diversified customer needs and neighboring markets

*Chart on Demographic Estimate is based on "Population Projections for Japan", published by the National Institute of Population and Social Security Research.

**Figures on "Insurance Premiums & Other Income" and "Household Disposable Income" are based on a material by The Life Insurance Association of Japan and "SNA statistics" published by the Cabinet Office.

2014 Annualized New Policy Premium in Japan

* Estimated by Nippon Life (excluding Japan Post Insurance)



Sales Representatives Channel

- Even in the backdrop of increasing diversification of sales channels, sales representatives channel has delivered stable policy premiums and the recent results are picking up
- It becomes increasingly important to continuously provide customer services via the exclusive door-to-door sales channel, as evidenced during the Great East Japan Earthquake

2014 Sales Representative Channel Results

	No. of sales representatives	Annualized Premiums (New Policies)	vs. 2011
Nippon	48,209 (+36 YoY)	¥220.9B (-2.3% YoY)	+17%
Mitsui	6,957 (+125 YoY)	¥28.9B (+20.2% YoY)	

Bancassurance Channel

- Expected to deliver further steady growth capturing stable demands for asset management of retirement age

3rd party Agencies Channel (incl. insurance shops)

- Actively used by younger generation and core customers with protection needs. Going forward, the market size is expected to grow to certain scale as an appropriate competitive environment is established

Contribute to the healthy growth of the domestic life insurance market through enriching product offering and services to nationwide customers with diversified lifestyles

①

- **Each company's further growth in the sales representative channel where both companies have strength**

Positioned as the main sales channel of both companies, aim for expanding market share

②

- **Development of an integrated strategy for bancassurance channel and 3rd party agencies channel, etc.**

Accelerate the ongoing initiatives taken to accommodate to changing environment through integrating both companies' respective strengths

③

Enhancement of group value through synergy creation in broader areas

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- Development of an integrated strategy for bancassurance channel and 3rd party agencies channel, etc.

③

- Enhancement of group value through synergy creation in broader areas

- Appreciate respective existing business operations and brands of both companies and learn from each other's virtue in order to leverage both companies' strengths to a maximum extent
- As the No. 1 insurance group in Japan, establish a wide service network and improve the service quality for nationwide customers via mutual cooperation

Contribute to the healthy growth of the domestic life insurance market through enriching product offering and services to nationwide customers with diversified lifestyles

①

- Each company's further growth in the sales representative channel where both companies have strength

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- **Development of an integrated strategy for bancassurance channel and 3rd party agencies channel, etc.**

③

- Enhancement of group value through synergy creation in broader areas

- **Strengthen relationship with sales channels**
 - Utilize Mitsui group's network
 - Enhance alliance strategy with new sales channels including insurance shops
- **Strengthen product offering capabilities**
 - Cross-sell the existing product lineup
 - Develop a double tracked product offering system utilizing respective unique characteristics of a mutual company and stock company

Contribute to the healthy growth of the domestic life insurance market through enriching product offering and services to nationwide customers with diversified lifestyles

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- Each company's further growth in the sales representative channel where both companies have strength

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- Development of an integrated strategy for bancassurance channel and 3rd party agencies channel, etc.

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- Enhancement of group value through synergy creation in broader areas

- Further development of corporate insurance business (group insurance) by integrating both companies' respective characteristics of Mitsui group company and an independent insurer

• **Group insurance** **¥106.0Tr***
 (Sum assured, in force)

• **Group pension** **¥12.5Tr***
 (Sum assured, in force)

- Synergies creation in productivity and efficiency improvement in wider areas, including investment activities, administration, systems, and human resource exchanges

*Includes the amount guaranteed by Nippon Life

Key Points

- Appreciate respective business operations and improve by learning from each other through friendly competition in order to leverage respective traditions and characteristics
- Achieve No. 1 customer service in Japan accommodating to a variety of customers nationwide, including establishment of collaborated customer service counters for both companies' policyholders

Each Company's growth by leveraging unique characteristics

Realizing Synergies

Nippon Life

Annualized New Policy Premiums
¥220.9B

- Further upgrade main product lineup with protection coverage



- Mutual supply of products to complement each other's product lineup
- Sharing of the trainer and know-how
- Build a service network worthy of Japan's No. 1 insurance group, taking initiatives such as sharing customer service counters for both companies' policyholders

Mitsui Life

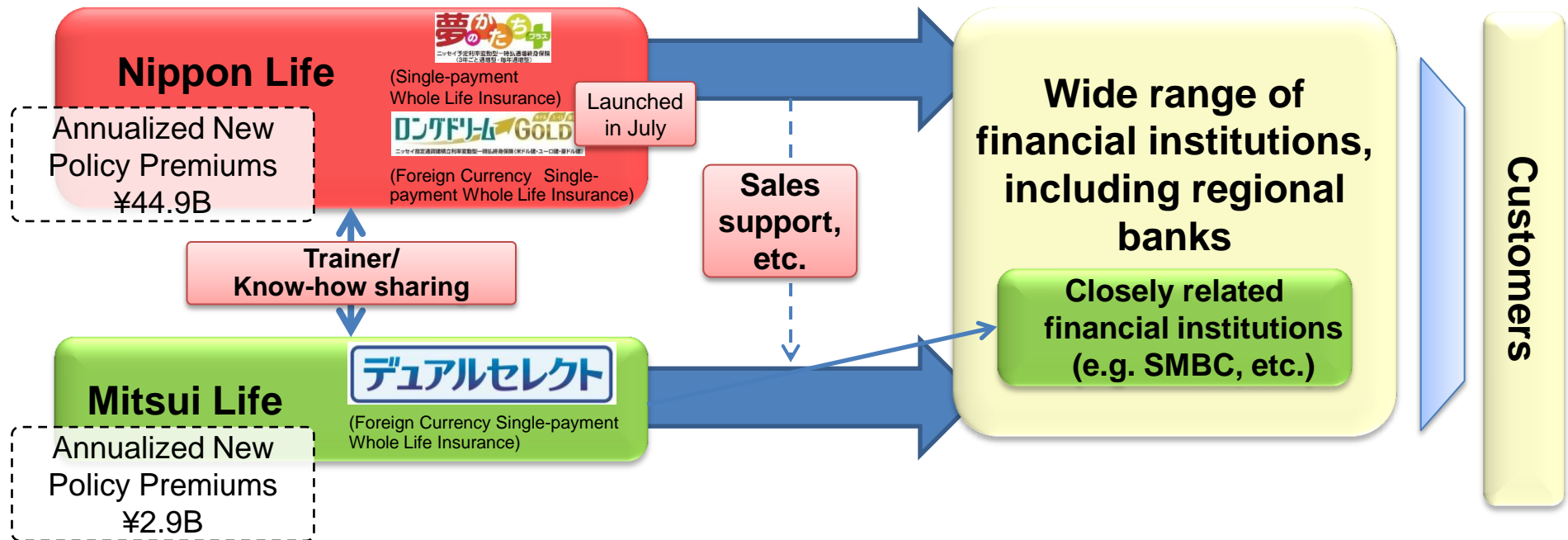
Annualized New Policy Premiums
¥28.9B

- Expand product lineup, including non-participating insurance products and foreign currency-denominated products, etc.



Key Point

○ Increase sales volume through the expansion of product lineup under appropriate allocation of roles between the two companies and the expansion of sales channels leveraging the group network



■ Expand product lineup by leveraging unique characteristics of both companies while sustaining adequate underwriting capacity

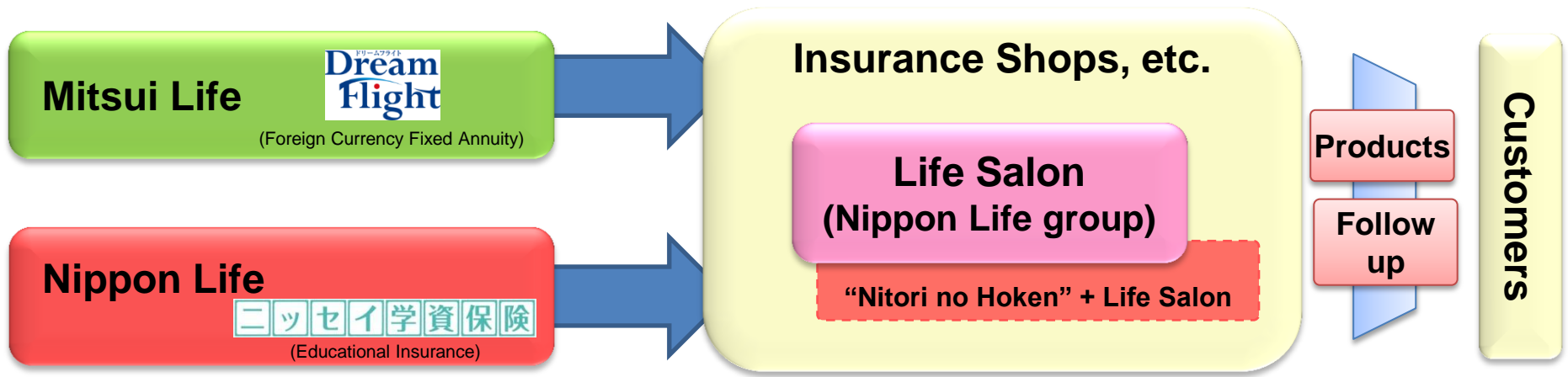
■ Continue to supply products to a wide range of financial institutions

— In particular, Mitsui Life aims to enhance business with closely related financial institutions such as SMBC and expand sales channel by leveraging Mitsui group's network

Create an integrated group strategy

Key Points

- Supply both companies' competitive products in a timely manner
- Utilize Nippon Life's alliance strategy and its group life insurance shops "Life Salon"



- Expand sales of existing products by utilizing the group's brand power
- Expand product lineup by utilizing the unique characteristics of both companies

- Expansion of distribution network of Life Salon
- Strengthen relationships with major 3rd party agencies

Develop a competitive strategy on insurance outlets, which includes an integrated follow-up model among the three group companies

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Schedule (tentative)

**September 11, 2015
(today)**

Sign Basic Agreement

**Late October 2015 to
early November 2015**

Sign Definitive Agreement

**Late October 2015 to
early November 2015**

Commence Tender Offer

**Late December 2015
to early January 2016**

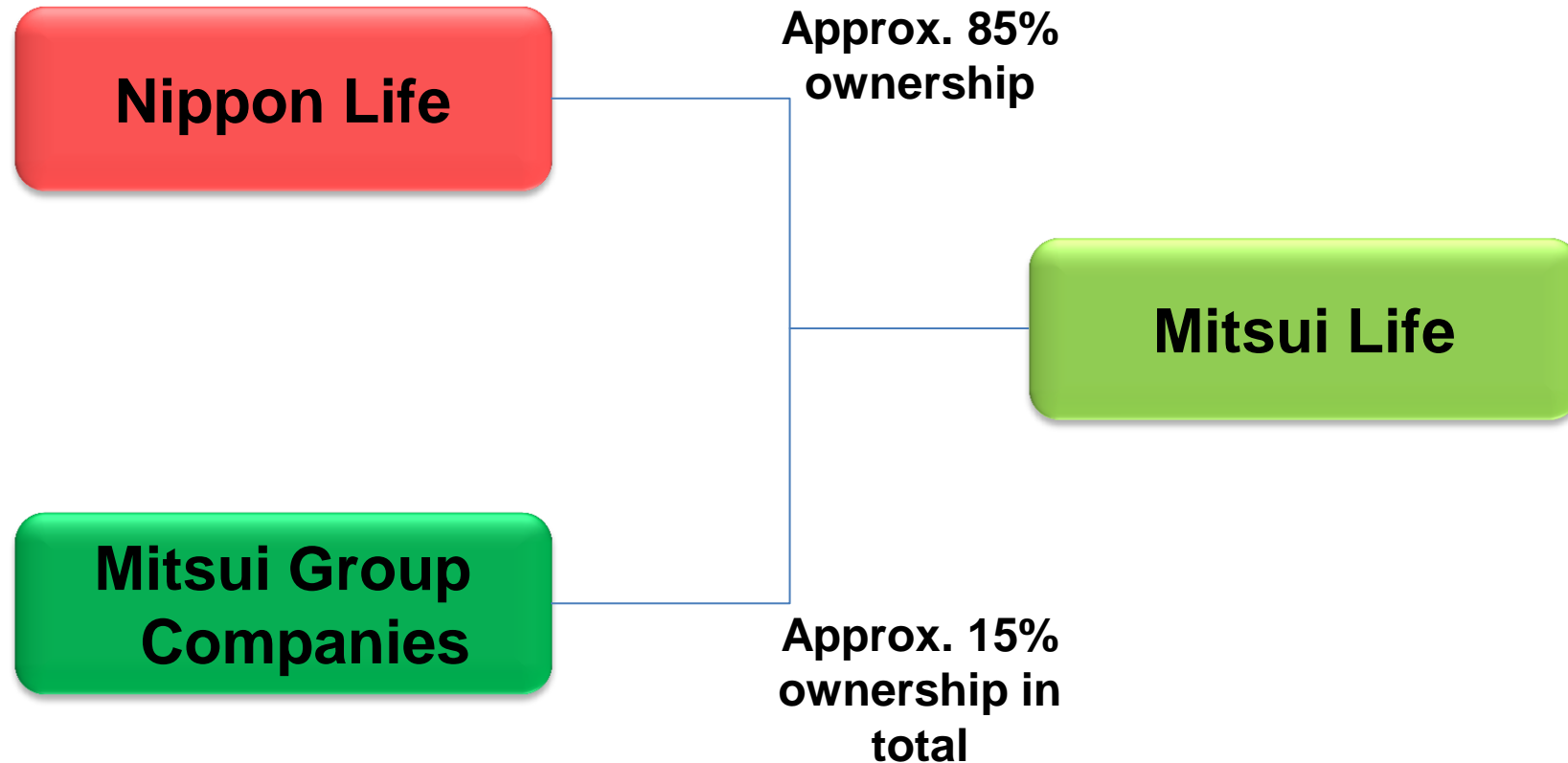
Complete Tender Offer

**Soon after the
completion of TOB**

**Commence necessary squeeze-out
procedures**

End-March 2016

Complete management integration

Post-Integration Ownership Structure

- Continue to use Mitsui trademark and brands
- Maintain good relations with Mitsui group companies

	Nippon Life	Mitsui Life
Annualized Premiums (New Policies)	287.8 billion yen (ranks 2nd)	33.7 billion yen (ranks 19th)
Annualized Premiums (in Force)	3.32 trillion yen (ranks 1st)	0.51 trillion yen (ranks 15th)
Group Insurance	92.5 trillion yen	13.5 trillion yen
Group Annuities	11.6 trillion yen	0.8 trillion yen
Insurance premiums and other income	5.33 trillion yen	0.54 trillion yen
Insurance payouts and other payments	3.93 trillion yen	0.55 trillion yen
Core operating profit	679.0 billion yen	59.0 billion yen
Solvency margin ratio	930.8%	812.4%
Total assets	62.2 trillion yen	7.4 trillion yen